

Buying a Home in a Seller's Market

Cheryl Pfaffenberger, Director Client Services, SIRVA Mortgage

What Employers and Employees Can Do to Address Challenges in the U.S.

Are your relocating employees struggling with buying a home? It's a seller's market in the United States and buyers are facing some unique challenges as a result. Inventory levels are low, home prices are increasing, and buyers increasingly find themselves competing against multiple offers. The following information will provide guidance for organizations with employees who want to purchase a home in today's U.S. housing market.

In a seller's market, demand exceeds supply; therefore, that market becomes extremely competitive. Purchasing in this type of climate can be challenging, but there *are* some things a buyer can do to put themselves in a better position to make a purchase.

7 Ways Employees Can Be Prepared in a Seller's Market

1. *Get pre-approved early*
2. *Know their credit report*
3. *Work with an experienced agent*
4. *Be prepared to move quickly*
5. *Be prepared for a low appraisal*
6. *Understand that concessions may be necessary*
7. *Consider prioritizing the importance of home features*

7 Ways Employees Can Be Prepared in a Seller's Market

To be prepared, a buyer should:

1. **Get pre-approved early:** It's important for a company's relocating employees to have a good understanding of their finances and what they can afford to buy before they start looking. The employee should speak to a lender and obtain preapproval as early as possible, so they know their price range and are prepared to move quickly when they find a home to purchase.
2. **Know their credit report:** Federal law allows everyone to obtain a free copy of their credit report every 12 months, from each credit reporting company. By monitoring their credit report, the employee can ensure that the information reported is correct and avoid any surprises that may come up when their credit report is pulled up by the lender. Visit www.annualcreditreport.com for more information.
3. **Work with an experienced agent:** Working with an experienced agent can help the relocating employee navigate a competitive market; the agent can also advocate on the buyer's behalf. Experienced agents are familiar with local markets and can advise the employee on submitting the best offer.
4. **Be prepared to move quickly:** In a seller's market, listed homes typically sell very quickly due to low inventory. The relocating employee should be ready to move quickly and submit an offer as soon as they find a home they wish to purchase.
5. **Be prepared for a low appraisal:** Home inventory levels are very low in this competitive market and home prices are increasing rapidly. Multiple buyers are competing for the same property and it's common for a home to sell above the list price. This drives the purchase price higher than comparable sales and can result in a low appraisal. If a buyer is unable to renegotiate terms with the seller and has the additional funds, s/he should be prepared to pay the difference between the purchase price and the appraised value. If additional funds aren't available, the buyer may need to move on and look for an alternate home as an option. An experienced lender can assist a buyer in navigating this scenario.

6. **Understand that concessions may be necessary:** A buyer may be required to make certain concessions to provide a competitive offer. For example, they may offer to pay for the seller's closing costs or waive contingencies. The seller may also ask to lease the home back for a period of time while they find their own new home to purchase. Fannie Mae requires that a buyer take occupancy within 60 days of closing, something that will need to be considered during the second example.
7. **Consider prioritizing the importance of home features:** With limited inventory, a buyer may not find a home that has everything on their wish list. Prioritizing a wish list – and being prepared to give some items up, if necessary – may help the buyer find a home more quickly. A finished basement, for example, is something that could be completed in the future. A buyer should have a good understanding of what is truly important to them when looking for a home.

3 Ways Employers Can Provide Employee Support in the Current U.S. Market

1. *Partnering with a reputable, experienced agent*
2. *Partnering with a preferred lender who understands relocation*
3. *Preparing for extended benefit requests*

3 Ways Employers Can Provide Employee Support in the Current U.S. Market

There are also some things an employer can do to support their relocating employees, who may be struggling to purchase a home in today's U.S. market, such as:

1. **Partnering with a reputable, experienced agent:** Company-preferred agents are typically required to have a certain level of industry experience and can assist your employees in navigating a competitive market.
2. **Partnering with a preferred lender who understands relocation:** A lender who is experienced in relocation lending understands the importance of an on-time closing and a smooth process; smooth, timely closings and relocations ensure that an employee can focus more fully on his/her assignment and company goals, since stress is minimized during a smooth move. An experienced lender will be familiar with policy language, benefits, and the unique documentation that comes with a relocation transaction.
3. **Preparing for extended benefit requests:** In today's market, a relocating employee may struggle to find a home to purchase quickly. Consider requests for exceptions and benefit extensions. If an employee is unable to find a home or is outbid multiple times, they may need additional funds for such items as household goods storage or longer periods of time for temporary living arrangements.

Whatever the financing needs of your transferees may be, SIRVA Mortgage is here to help. With nearly 30 years of focus and expertise in relocation mortgage lending, we understand the important role home financing plays in the relocation process. Please visit our [mortgage website](#) to learn more, or contact us, at MortgageClientServices@sirva.com.

[And, finally, if you were a registered attendee of our 2021 SIRVA University event, feel free to watch the recording of our presentation regarding the U.S. housing market.](#) In this session, SIRVA subject matter experts discuss current market conditions, comparisons to past housing booms, and how to shape your future policies.

[VIEW RECORDING ON SIRVA UNIVERSITY](#)

Notice and Disclaimer:

This blog is not intended to be advice or directions for a particular mortgage situation. Only a licensed loan originator or an attorney can provide consultation and information concerning a specific circumstance or mortgage loan application. This blog is not an offer of credit. Mortgage loan approvals are rendered based upon individual credit qualifications.

For a full list of our licenses, other terms, conditions, disclaimers, and our affiliated business disclosure, please visit our SIRVA Mortgage [website](#) (and scroll to the bottom of the page) or call us at 1-844-299-8150.

The SIRVA Mortgage NMLS Unique Identifier is #2240.

We are an equal opportunity lender.

Contributors

Linda Laramy, Director, Client Services, SIRVA Mortgage

Lisa Marie DeSanto, Manager, Content Marketing

For more information please see [SIRVA's Blog Disclaimer](#).