



House hunting is challenging enough at any time; shopping during a seller's market is a whole additional difficulty level—and that's what would-be buyers are seeing across the country. The supply of homes is low, demand is high, and sellers are in control. If you're not careful, you'll be left drying your eyes with the broken shards of your rejected bid. Sound painful? It is.

So you'd best bring your A-game, or don't bother showing up at all.

Check out the seller's market survival tips below to stand out from the competition and get the edge.

Know the signs

Even though you may hear you're in a seller's market, where's the proof? While the market varies based on where you live, you can watch for these two red flags:

- Houses are selling for more than asking price.
- Homes sell quickly, and inventory doesn't hang around.

Look through our listings for your area. If the majority of houses have been sitting on the market for more than six months, it's not a seller's market. But if only those ultraluxe properties have been on the market for over a few months, that indicates houses are getting snatched up quickly.

Commit to being on call

To succeed in a seller's market, you have to make house hunting a priority—not just something you fit in here and there on the weekends if you have nothing better to do.

"If you're only looking now and then when it's convenient, you're probably wasting your time," says James Malmberg, an agent in Sherman Oaks, CA. Treat house hunting as if you were job hunting: Scour listings regularly, and if someone calls about a viewing, head in at their earliest convenience—not your own—and follow up promptly if you feel it's a fit.

Come bearing paperwork rather than promises

In hot markets, talk is cheap—especially if it's a buyer swearing he has plenty of money for a down payment or will have no problem getting a mortgage. The way to be taken seriously is to show up with hard evidence in hand these claims are true: a mortgage pre-approval letter, plus a "proof of funds" form from your bank showing you have enough to cover the down payment. That way, the seller knows you can put your money where your mouth is.

Waive the what-ifs

Typically, when home buyers make an offer, they do so only with contingencies. For instance, they'll buy the home if the inspection goes well or if they can secure financing. But in a seller's market, it may behoove you to drop one or two of these caveats to stand out to sellers, who generally would prefer as few hurdles on the way to closing as possible.

Check out our fear factor guide on which contingencies you should consider ditching and which you should keep at all costs. For instance, if your credit history is spotless and you're all but guaranteed to get a home loan, waiving the financing contingency may not be a big deal. But it can be far dicier to waive the inspection (what if the house has major flaws?) or a title contingency (what if there's a lien or back taxes on the home that now must be paid by you?). Consult with your Realtor®, too, about what's worth the risk.

Don't play hardball

In your typical home-selling scenario, buyers make an offer below the seller's asking price, then negotiate upward from there. But in a seller's market, "often there is little to no room for price negotiations," says **Ralph Modica** of the Modica Team at Compass in New York City. In fact, if there are multiple bids, you could end up paying well over asking. So how high should you go?

"Don't waste your time lowballing a seller," says Sean Kelley, an agent with Howard Hannah in Pittsburgh, PA. "Always put in an aggressive offer."

At the same time, you don't want to blow your budget to smithereens—remember, you'll still need to make those monthly mortgage payments.

"It must be a decision that the buyer feels very comfortable making," **Modica** advises. Bid strong, but don't overextend yourself financially.

Widen your search

In seller's markets, it's not unusual to feel outpriced in your favorite neighborhood. But that may merely mean you need to start scouting farther afield—like, say, in an up-and-coming neighborhood nearby.

"Sometimes properties sit, even in a seller's market, because of a problem that is scaring other buyers away," Malmberg says. Yet those "flaws" (e.g., an extra five-minute drive from school or some renovation work that needs to be done) might not be such a big deal to you. While such houses may not be ideal for all, "finding a house this way can also cut down on the amount of competition you will face." And that means you hold a few more cards—a welcome change in a seller's market.