

Real Estate Tips for a Hot Market

The real estate market is usually deemed “hot” when inventory is low and competition is high. Hot markets often mean quick turnover, crowded open houses, bidding wars and sales that close above asking (and sometimes all in cash). To the surprise of many, we’ve been in a hot market nationwide throughout the pandemic, and there are few signs it’s cooling down.

If you’re planning to buy (or sell!) soon, you’ll want to position yourself well by doing more prep work and research than you would in a neutral market. That way, you’ll be able to make smart decisions fast and strike when you see the right opportunity. Follow these pointers to come out ahead.

For buyers *and* sellers

- **Get a good agent** – An experienced agent who knows your local market will be worth their weight in gold. If you’re a buyer, they should know about listings before they come on the market and know how to make your offer stand out. Ask for referrals from your network and social circles.
- **Be patient** – Especially for buyers, patience is a virtue in a hot market, when you can make many offers before your winning one is accepted. Try not to get discouraged – rather, stay focused on your goal! And if you’re a seller, patience will help you find the right buyer.
- **Know what’s going on in your local market** – Your agent will know what market trends and events mean for your goals and priorities, but it’s smart to follow the market movements yourself, too.
- **Don’t get emotional** – Letting emotions influence the buying or selling process can lead to bad or regretful decisions. Practice mindfulness or other techniques to stay grounded during those stressful moments of the journey. It’s good to have some thresholds and decisions made ahead of time so you have some “guardrails” at the ready.
- **Have your paperwork ready** – Whatever papers and documents you’ll need for the process, get as many of them ready as possible beforehand. That way, you won’t lose precious time when the clock is ticking.
- **Be ready to move quickly** – Speed is the name of the game in hot markets. Things can change overnight, and the perfect opportunity might present itself out of nowhere. When the conditions meet your pre-determined criteria, move quickly.
- **Keep your insurance until you close** – Don’t make changes to your insurance or cancel it prematurely – no matter how sure a deal seems.

If you’re a buyer

- **Be very clear on your budget.** The absolute first step is to know how much home you can afford. Knowing your range is good, too, but be sure you know where your ceiling is – and stick to it once you start putting in offers.
- **Know your must-haves and where you can be flexible.** Have a clear understanding ahead of time what attributes your new home must have and what things can be changed, renovated or aren’t all that important in the grand scheme of things.
- **Window shop** – Get a handle on the local market by touring homes that would be in your price range and meet your requirements. This way, you’ll gain a sixth sense and sharp instincts for when you start making offers.

- **Get financing and a pre-approval letter.** Make sure your financing is lined up and you have a pre-approval letter. You'll want to go with a lender that delivers on their promises and has a track record of closing loans quickly.
- **Leverage your agent.** Your agent has ways to make you stand out from the rest of the bidders. For instance, they can find out what the seller wants by calling the listing agent or gleaning information from the multiple listings service (MLS), which has more information than public listings.
- **Read our guide.** If you haven't already, check out our [top tips](#) for your home-buying journey (good for any market, including hot markets!)

If you're a seller

- **Prep your property.** Sellers in a hot market will have more luck selling their home "as is," but it can pay off to make any needed fixes before listing. This will help you attract more interest and multiple offers (which usually means a better sale price in the end).
- **Consider staging.** Staging is probably one of the best ways to position your property to sell quickly and at a good price. It puts your home in its best possible light and gives potential buyers a great first impression and good feeling in the space. It will also differentiate your property from others.
- **Get the "pre-work" done.** Go over what you might need with your agent ahead of time. They might suggest getting an inspection done before listing, lining up a title company and other due diligence items.
- **Manage your expectations.** A hot market doesn't guarantee that you'll get multiple offers over asking. Each sale is the product of lots of different variables, which is why it's worth taking extra steps to give your property every advantage.

With the right tools, knowledge and strategies, you can do well in a hot market. Above all, remember to get a good agent, have patience and get the prep work done before hitting "GO." Good luck!

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