



## 5 Mistakes Buyers and Their Agents Make Common Gaffes That Can Cost Thousands

By ANTHONY MARGULEAS  
*Special to the Palisadian-Post*

### 1. Using a family member or friend who is new to the business, a part-timer or not familiar with the area to represent you

Some buyers think they are being smart by using a family member or friend who may be giving some or all of the commission back to them, but in reality this is a major detriment.

If the listing agent has two similar offers, they almost always will lean toward the offer from a local, experienced agent since they are more familiar with the area, the contracts, the local HOAs and things like "Tract 9300," which includes about 4,000 homes in the Palisades that are subject to specific CCRs.

### 2. Talking too much

While it may be tempting to show the listing agent how smart you are when you first see a home by asking detailed questions about the major structural components of the home, it is best to not say a word.

Asking probing questions can actually hurt your chances of being considered because sellers don't want to work with a "high-maintenance" buyer or their agent. Also if you find out that there is a roof leak, for example, before you write an offer, it makes it much harder to get a credit for that issue from the seller since it has already been disclosed prior to your offer being accepted. To be clear, once your offer has been accepted, it's advisable to ask as many probing questions as you can.

### 3. Not packaging an offer properly

A big mistake is submitting an offer without including a cover letter that provides background on the buyer, their occupation, current residence and more. Personalizing an offer with biographical information and even a family photo can be important, especially when a seller is getting multiple offers on a home.

It's hard to believe, but some buyer's agents use outdated contracts, submit contracts with pages missing or submit contracts in which the buyer has not properly initialed or signed as required.

If the buyer is getting financing, they should supply a lender pre-approval letter (not a prequal), and from a well-known lender showing the loan to value, amount of loan, FICO (credit) score and verification of down payment with their offer. If it is an all-cash offer, it should include proof of funds from the last 60 days with the buyer's name and the date on the statement. Many times this information is missing or incomplete.

Some buyer's agents submit a screen shot of the buyer's bank balance, but screen shots never list the buyer's name so it could be anyone's account.

With an offer that is incomplete or missing vital information, a person who may actually be the best buyer might lose out on a home.

### 4. Making a lowball offer when a home is brand new on the market

I see this all the time and it is a head scratcher. A seller has no incentive to respond to a lowball offer, and the listing

agent will just use that offer to drum up more offers from other buyers by telling them an offer came in and they'd better hurry.

The other potential buyers have no idea that it was a low offer. Why would a seller even consider a lowball offer after a home has just come on the market? The only time you want to make a low offer is after a home has been on the market for a very long time or there have been a couple of price reductions and by all indications the seller is finally motivated.

### 5. Giving a seller too much time to respond to an offer

A buyer should give as little time as possible (ideally no more than 24 hours) for a seller to respond to their offer. When a buyer's agent gives a seller the (contract) default time of three days, this allows the listing agent time to shop their offer.

*Anthony Marguleas is the broker and owner of Amalfi Estates for 20 years. He has personal been involved with over 1,000 transactions and viewed over 2,000 real estate contracts. For the past 12 years he has guest lectured at UCLA to over 1,500 students for their real estate class covering topics such as contracts and negotiations. He has also co-authored California Real Estate Client Strategies and has published over 150 articles that have been featured in the Wall Street Journal and the LA times. He has individually sold over \$550 million in properties, and was recently selected by The Wall Street Journal as one of the top 250 agents in the country out of one million agents.*