

# Beyond the Headlines: Creative Tactics for Buyers and Agents to Thrive in a ‘Challenging Market’

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The Los Angeles real estate market has always been dynamic and sought after, offering countless opportunities for buyers and investors. However, there are times when the market may appear challenging or the news tells us that it is so.

What can be some challenging factors when looking to buy property? Any market with high demand and limited supply leading to increased prices and fierce competition, high interest rates, economic instability, and more.

In such situations, it's important for buyers to think outside the box and explore creative strategies to secure their dream properties. However, where most people miss the mark is that there are options and ways to combat a challenge.

Remember that quote, “nothing good comes easy?” If you welcome a good challenge with an expert in the business, you might be surprised with how many options you really have to make your dreams a reality ... sooner rather than later.

By collaborating with an expert real estate agent on an innovative approach, negotiation tactics and strategies like two-to-one buy-down rates, you are now overcoming the obstacles presented by a seemingly unfavorable market.

Negotiation is a powerful tool that buyers can utilize to their advantage, even in a competitive market. It's crucial to conduct thorough research on comparable properties and understand the current market trends.

Armed with this knowledge, buyers can present strong offers backed by solid data, highlighting any unique advantages they bring to the transaction. These advantages could include flexible closing timelines, the ability to pay in cash or being pre-approved for a mortgage.



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Sellers may be more inclined to consider offers that are well-structured and address their specific needs. Having a meeting of the minds with an experienced real estate agent or team, who is skilled in negotiation, can provide buyers with a significant advantage during this process.

Just like Richard Branson once said: “Surround yourself with people who are smarter than you, and don't be afraid to hire those that know more than you do. It's the only way to grow, learn and achieve greatness.”

Have you or someone you know ever said, “I'm going to wait to buy because interest rates are too high?” Well, a two-to-one buy-down rate is a creative financing strategy that can make a property purchase more affordable for buyers, even in a challenging market.

In this approach, the seller can offer to pay additional upfront points to the lender, which in turn lowers the interest rate on the mortgage for the buyer. Typically, each point paid upfront lowers the interest rate by 1%.

However, with a two-to-one buy-down, the seller pays two points upfront to reduce the interest rate by 2%. This can result in significant long-term savings

on mortgage payments, making the property more affordable and increasing the buyer's purchasing power.

It's important to work closely with a mortgage professional to determine if a two-to-one buy-down is a suitable option based on individual financial circumstances.

While traditional real estate listings dominate the market, off-market deals can provide buyers with unique opportunities. Off-market properties are not publicly advertised, which means they are less exposed to the fierce competition seen in conventional listings.

To tap into these opportunities, buyers can commit to working with a local real estate agent who has the resources and community to discover potential off-market properties. Building strong relationships within the real estate community can open doors to hidden gems.

When negotiating off-market deals, buyers may have more leverage and flexibility in structuring the terms of the transaction.

In a competitive market, buyers might consider lease-to-own agreements as an alternative path to property ownership. This arrangement allows potential buyers

to lease a property for a specific period with an option to purchase at the end of the lease term.

Lease-to-own agreements give buyers time to save for a down payment, improve their credit scores or gauge the property's long-term suitability before committing to a purchase. It also provides an opportunity to lock in a favorable purchase price, even if the market is expected to rise in the future.

Negotiating lease-to-own agreements can involve discussions around the purchase price, lease term and the portion of the monthly payment that goes toward the eventual down payment.

In a competitive real estate market like LA, buyers need to adopt innovative strategies to achieve their property ownership goals. Strategic negotiation techniques, such as presenting strong offers supported by market research, can help buyers stand out from the competition.

Additionally, exploring options, like two-to-one buy-down rates, off-market deals and lease-to-own agreements, can provide buyers with alternative methods to make it less about the headline and more about effectively utilizing methods and strategies in order to achieve a goal or desired outcome.

Now go get that dream home.

*Amalfi Estates has sold close to \$2 billion in properties and has been a leader in the community through philanthropic work. If you are thinking of buying a home or selling your own, contact Gabrielle L. Shutter at 323-283-9535 or gabby@amalfiestates.com.*

