

Homebuyers: To get the house, get there first

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Housing inventory is stiflingly tight in many locations, making it a challenge to find, much less land, your dream home.

The number of available houses in the hottest markets has dropped dramatically over the past year, says the National Association of Realtors: In the Boston area, for one, inventory levels are down 29% vs. 2012. And Denver, Seattle, and San Francisco aren't far behind.

"Some homes are flying off the market in a matter of days," says Paul Bishop, VP of research for NAR.

Shopping in a popular spot? You'll have to go beyond the usual sellers' market tactics, such as getting prequalified for a mortgage. These strategies will help you find homes first, stopping a bidding war before it starts.

Go unlisted

One way to head off the competition is to look for so-called pocket listings, homes that are for sale but don't show up on the multiple listing service, where brokers post available properties.

Owners may choose not to list because they want to keep details about their houses private, or simply because they don't want to deal with staging the home and taking photos, says Zillow contributor and agent Brendon DeSimone, who works in New York and California.

To find these homes, you'll need a well-connected broker. "You want someone who has an inside track," says DeSimone. Agents who have experience with pocket listings should be able to tell you about examples of off-the-radar houses they've handled in the past, as well as any they are currently aware of (keep in mind that pocket listings are most common in areas with tight inventory).

A caution: Buyers considering an unlisted property should be on the lookout for defects and check that the price is in line with the area, says San Francisco broker Samuel Cadelinia. Owners sometimes use this low-profile method to avoid calling attention to a problem or to see if they can sell for more money.

Get the real-time scoop

Many would-be buyers depend on automatic search, a regular roundup of listings sent out by the local MLS. But by the time these emails go out to shoppers, included homes may have been online for hours or even days.

Ask your agent about real-time MLS alerts, emails that are sent the moment a new listing goes live. While not yet in all markets, the alerts are available in the San Francisco Bay area, Las Vegas, Columbus, parts of Connecticut, and more.

Agents often have a home for 24 hours or so before entering it into the MLS, so your broker may be able to give you a heads-up on a house he just received. To increase your chances of getting that call, tell him that you'd like to be notified immediately, and be sure he knows exactly what type of house you're after. See through bad listings

Don't be scared off by a hideous paint job, bad lighting, or unflattering photos. "Sometimes sellers don't listen to agents about getting the house ready for sale," says DeSimone. In a tight market, he says, it's worth checking out marginal listings to avoid missing a badly packaged gem -- just factor in the price of any project required to bring the home up to snuff.

Set your search criteria a bit higher than your target price; you'll likely catch some overpriced homes that may eventually go for less. How will you know? The number of days on the market is one telltale sign, says Cadelinia.

For example, if most homes in the area are gone within a month but this one's been on the market for two, the owner may be willing to consider a lower offer. If the listing is new, get a sense of how realistic the cost is by comparing it with the recent sale price of similarly sized houses in the same area.

Spot would-be sellers

Finding a home that's not for sale but might be soon is tricky but not impossible. One strategy: Ask your agent to search expired listings, says Mark Cenci, a Chillicothe, Ohio, realtor. Owners who tried to sell a couple of years ago may not be up on rising home values (June median home prices were 16% higher than two years prior, says the NAR) and might be swayed by what you're willing to pay.

Rental properties are another prospective target, since landlords may also be out of touch with current prices. Sure, it's a reach, but in this market, says Cenci, "you need to explore every option."