

Game Plan 3

**You Ask Your Landlord If Your Landlord Wants To Sell  
The Place AND a Property Manager is Involved**

- You research the ballpark value of the house online
- You estimate whether you can afford the house using online "mortgage affordability calculators"
- You research the public records on the house
- You research whether your landlord has enough equity to sell the place
- You find a good loan officer
- You get pre-qualified for a mortgage loan
- You decide if you can really afford the place
- You research other homes for sale in the same price range
- You decide if you would like to try and buy the place
- You pitch the idea of buying the place directly to your landlord and your landlord says go through the property manager OR you don't know the landlord so ask the property manager if the landlord might be interested in selling the place
- If your landlord is interested, you pitch idea, via the property manager, of using a pre-appraisal to help set the sales price and you bring up some of the other major issues that you'll need to reach agreement on, for example;
  - Seller credit? 3%?
  - What's included in sale? Refrigerator, etc.
  - Buyer inspection contingency? Yes!
  - Handling of your current rental deposits?
  - Home warranty paid by seller?

- IF your landlord agrees to using a pre-appraisal and you think you're close enough on the other issues that you're likely to reach an agreement,**
    - You get pre-approved for a mortgage loan
    - You find a good flat-fee real estate agent or attorney
    - You find 3 good appraisers
    - You send their names to your landlord
    - Your landlord chooses 1 appraiser
    - You schedule the appraisal
    - You pay your half to the appraiser
    - Your landlord pays their half to the appraiser
    - Appraiser visits house
    - Several days later the appraisal is completed
    - You and your landlord talk to the appraiser about the appraisal
    - IF** you and your landlord come to an agreement on the sales price or you think you're close enough that you're likely to reach an agreement,
      - You have your agent or attorney help you draft a written offer for your landlord
      - Your agent or attorney helps you with counter-offers
      - IF** you reach a written agreement with your landlord,
        - Congratulations, you have a contract to buy the place!** Now, the closing process begins.
      - IF** you can't reach a written agreement with your landlord, you abandon negotiations in a polite way and remain cordial in case your landlord changes their mind on price in the future
    - IF** you and your landlord are too far apart on price even after the appraisal, you abandon negotiations in a polite way and remain cordial in case your landlord changes their mind on price in the future
- IF your landlord does NOT agree to basing the sales price on a pre-appraisal,**
  - You find out your landlord's asking price
  - You compare the landlord's price to the home's estimated ballpark value

- ❑ **IF** you think you're close enough on price and the other issues that you're likely to reach an agreement,
  - ❑ You get pre-approved for a mortgage loan
  - ❑ You find a good flat-fee real estate agent or attorney
  - ❑ You have your agent or attorney help you draft a written offer for your landlord
  - ❑ Your agent or attorney helps you with counter-offers
  - ❑ **IF** you reach a written agreement with your landlord
    - ❑ **Congratulations, you have a contract to buy the place!** Now, the closing process begins.
  - ❑ **IF** you can't reach a written agreement with your landlord, you abandon negotiations in a polite way and remain cordial in case your landlord changes their mind on price in the future
- ❑ **IF** you think you're too far apart to justify your paying for a real estate agent or attorney to help you draft an offer, you abandon negotiations in a polite way and remain cordial in case your landlord changes their mind on price in the future

In this scenario where the property manager is involved, you'll be dealing with the property manager, not directly with your landlord.

Remember, the property manager is likely a dual agent who doesn't represent your best interests. It's best to hire your own agent or attorney to review everything before you sign anything.

Hiring your own agent or attorney will increase your costs but it might also end up saving you money, overall.

## **John Wake**

*This information is of a general nature and may not apply to your personal situation. This information only reflects the opinion of the author, is not intended as definitive advice, does not constitute an agent-client relationship, and you should not act upon it without seeking independent, personalized, professional counsel.*

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