



There's no real secret sauce or formula to buying a house, but there are common obstacles to look out for. (UBS)

Housing

Tips for first-time homebuyers in a difficult market

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House hunting has never been simple, but it can be particularly challenging these days—especially if you also happen to be a first-time homebuyer.

In today's competitive housing market with tight listing inventory and low mortgage rates, bidding wars aren't uncommon, and it can feel impossible to secure your dream home.

While it may seem counterintuitive, experts say the process isn't about property, it's about making strategic decisions. Here are key things to keep in mind.

At a recent [Boston Globe Real Estate Event](#), sponsored by UBS and hosted by Giselle Rivera, Head of the UBS Rising Generation client segment, real estate experts shared advice and go-to resources for prospective buyers.

There's no real secret sauce or formula to buying a house, but there are common obstacles to look out for. If potential homeowners can address those obstacles before they hit the market, they're much more likely to be successful. Being prepared and understanding the dynamics can be key to putting yourself ahead of the field in a very competitive market.

To get ready for the whole experience of homebuying, Melony Swasey, a realtor affiliated with Sotheby's International Realty, suggests prospective homebuyers think about real estate in a very strategic way.

Figuring out the “why”

“It's really thinking about the mechanics and the why. People are having to make decisions based on needs, it's very much about supply and demand,” Swasey says.

“Figure out what your needs are and map those onto the market.”

Understand the market

She suggests that if you're trying to work out what a place is worth right now, it is actually inaccurate to do price per square foot, or to compare with what sold in the last three months, or to just follow exactly what Zillow or Redfin says.

"The market is actually moving faster than that. Because there's so little inventory, there are [too] few houses to look at and compare to do a comparative market analysis. And that's been true for a decade."

Swasey stresses that it's important to have a solid team to understand the ever-changing market. She suggests leaning on the advice of a financial advisor or tax professional, as well as your real estate agent and your loan officer to really figure out what your numbers are, and what a good offer for you would actually be.

"What I often start with people is telling them that... this is not about property, it's about actually advising you. It's about helping you think and make strategic decisions, frankly, that bring joy, that's what we're focused on."

"So we're going to have some hard conversations, we're going to think about numbers, we're going to probably shift your priorities even. But that's going to build trust and legitimacy, because I'm actually helping you think about who you are in the market."

Position yourself

From there, it's then about how you position yourself. How do you explain how much of a risk you might be, if at all? And can you address any questions that sellers may have about that proactively?

Swasey says sellers tend to prefer to work with buyers who make them feel confident. She suggests sellers like to trust the agent, the setup and how they were approached. She believes sellers ultimately like to work with a buyer who represents the least amount of risk, rather than always going with what the highest bid is.

"I have my clients think about what markets, what locations, what property types, what streets, they can compete on, based on their ability to absorb those kinds of risks," Swasey says.

Make an offer

"Generally, with my clients, we're talking about how much money you have to begin with. And can you supplement those funds from family? Can you add to those funds from retirement? And then we take that cash and we say, 'OK, how much would you use toward a down payment? How much would you use toward closing costs and upgrades?'"

"That stuff can be the fun of it. Actually gaming out a plan before you even look at property or figuring out what should you look at. And then you have an offer strategy in mind as you tour properties."

Having a strategy and knowing your risks are two of the key factors when considering where and what you can buy.

But one big takeaway from the event is this: the numbers don't lie, stick to the numbers.

Understanding real estate markets can be very challenging, but UBS has some [great resources](#) to get you started.

Watch the full video from [Boston Globe Real Estate Event](#).

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