

# Real Estate Wholesaling: How to Win Against Multiple Offers

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It's a hot time for investing in real estate and there is no question these are not just the optimal conditions for flipping houses, but perhaps the best we have ever or will ever see. Unfortunately, the dramatically improving U.S. housing market is giving many the same idea and competition for homes is heating up.

Nationally foreclosures have fallen some 30% since February 2012 and the National Association of Realtors reports buyer traffic up 40% as of the beginning of 2013, while pending homes sales continue to rise.

This is causing multiple offer situations to rise rapidly from coast to coast. We are no longer just taking about 3 or 4 offers coming in on homes over a period of weeks. Realtors are frequently reporting a dozen or more offers within hours of homes going online on the MLS. In one of the most dramatic cases recently a West Coast real estate investor reported going up against 80 other cash offers and even bidding \$15,000 to \$20,000 over asking price with little hope of even receiving a counter offer.

So how can investors bid and win in among stiff competition like this?

With at least 30% of all real estate transactions being in cash today it is clearly a disadvantage not to be able to act as a cash buyer in this market. Fortunately using transactional lenders can enable wholesalers to effectively act as cash buyers with flash funding and Proof of Funds letters to back them up.

Sometimes it's about price, other times it is just matching the seller and their agent's desired timeline and quirks. Often they want to see higher deposits or fewer contingencies to prove how

great a prospective buyer you are or it might just be a matter of spinning your personal story.

Another major part of this issue that many don't understand is that Realtors often refuse to even present offers unless they are gaining both buying and selling side commissions and are effectively doubling dipping. While this certainly isn't fair for the seller who is normally unaware, the best tactic for overcoming this is to make more direct Realtor connections and make sure you are always dealing with the listing agent, not a buyers' agent.

Another major reason for such dramatic bidding wars is often the price range and property type investors are targeting. Their focus is often on the 'bread and butter' 3 bedroom, 2 bath single family home that also butts heads with the 30% of the market that is made up of first time home buyers. Perhaps targeting a different price range or property type could yield better deals with less competition.

Note that there are also many areas of the country where foreclosures are still spiking by double and triple digit rates and could offer many more choices and bigger discounts. This includes Washington, Florida, New York and others.

Of course switching acquisition strategies from bidding on publicly marketed properties to targeting off market properties and homeowners directly can also make a world of difference.

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