

# 7 strategies to help you win a bidding war for your new home

By [Max Gross](#)

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Steve Jenkins had been on the losing end of several bidding wars before he stumbled upon this Clinton Hill loft and faced down seven other buyers by applying overwhelming force; his bid of \$670,000 on a \$599,000 apartment won the day.

Photo: Tamara Beckwith

Like many grizzled veterans, Steve Jenkins was shell-shocked by the time victory was declared.

“I didn’t even say anything,” Jenkins recalls, “I just put my head on the table. It was such a sigh of relief. It was brutal, it was really brutal.”

Jenkins was a victim of the cold, pitiless battlefield of the New York City bidding wars. After losing out on a number of apartments he found his dream place in Brooklyn and applied overwhelming force (a big overbid) to win it.

But he's not alone. Bidding wars are booming.

"It's kind of a bifurcated market," says Dolly Lenz of Dolly Lenz Real Estate. "You're seeing bidding wars in the under-\$4 million and over-\$25 million market."

Lenz herself was involved in one such war (which she could not comment on) at 1136 Fifth Ave., where her clients snagged a penthouse listed for \$30 million — but they didn't get it until they bid over \$35 million.

Bruce Ehrmann of Douglas Elliman was involved in a 27-way bidding war earlier this year. The co-op, on West 9th Street between Fifth and Sixth avenues, which was listed for \$1.35 million, went for \$1.7 million.

Here are seven tips to navigating New York's all-out bidding warfare.

## Write a love letter



Capucine Bourcart and her husband Laurent Corbel wrote a mash note to the seller of their dream Harlem brownstone describing how well Bourcart's art would fit in with its vibe. They won.

Photo: Astrid Stawiarz

If a picture is worth a thousand words, a good letter can be worth a few thousand bucks.

This is what Capucine Bourcart and her husband Laurent Corbel found when they looked at a house on West 126th Street in Harlem with their broker, Fabienne Lecole, previously of The Corcoran Group, now with William Raveis.

“We wanted to have something that already had a history, not something brand new,” says Bourcart. So she decided to say as much in a letter to the seller, explaining her romance with Harlem, and the fact that — as an artist — she was active in the Harlem Art Walking Tour.

“Too often we forget that it’s a very emotional moment when people sell their home,” says Kathy Braddock, managing director of William Raveis. “It’s important to hand it to someone who appreciates it.”

Hence, Braddock recommends a good letter to grease the wheels to a seller’s heart.

The letter should be lean — “Half a page is perfect,” says Lecole. “You want it to be descriptive enough to say who you are, what you do, how long you’ve been looking.” A few carefully chosen details about the property and why it’s a good fit for the buyer comes next.

This is almost never enough to make up for a lowball offer, or a hole in your credit, but it can make the difference in identical offers.

The selling broker told Lecole there were other offers on the table, but the seller went with Bourcart after reading her letter (oh, and the Harlem Art Walking Tour runs through her new house next week).

## **Figure out just how hot your property is before engaging**

Most buyers stumble somewhat blindly into a bidding war, not knowing what other offers are being entertained, but there’s a simple way to figure out how in demand your chosen apartment is.

“Generally you know if you go to an open house on the weekend and you saw 400 people there,” says Lenz.

At Ehrmann’s first open house on the \$1.35 million co-op, 100 people showed up. “We had almost a dangerous situation, people were fighting to get in.”

“If they schedule an open house on a Thursday at 2 p.m. that means a lot of offers have come in and they’re giving one last hurrah” before they ask everyone for a best and final that Friday, says Jay Glazer of Urban Compass.

## **Paperwork is your friend**

“My advice is to be very prepared with all the information,” says Lenz, “here’s my net-worth statement, here are my references, here’s why you should choose me aside from numbers.”

A good broker will get the building's financials and bylaws in advance. You should be able to say, "Look I've already gone through the negatives; I'm happy to step up and still be considered," says Lenz. Buyers should "have their own attorney draw up a standard contract, hand it over with a check to the sellers to prove: We're really ready, here's our contract, it's not just a bid, it's a contract and a signed check."

## Money isn't everything

Sure, it's important. But the highest offer isn't always the accepted offer. References can mean a lot. As can an offer to put up a higher down payment or all cash.

By offering a higher down payment, you "increase the stakes; you're offering a little more collateral," says Glazer. On an apartment which requires a 10 percent down payment, "Somewhere between 12.5 and 15 percent is well within the realm of reason. It juices the pot a little bit."

Likewise, co-op boards are notorious for wanting to pick and choose the right kind of people who live in their buildings, making a good reference letter another important distinguishing factor. Glazer had clients who brought with them a reference letter from Michael Bloomberg. "They were pretty much a slam dunk to get any apartment in the city."

## Bid an uneven number

"A lot of financial guys have as their strategy: trading in uneven numbers," says Glazer. "So instead of bidding \$1 million, they'll bid \$1,012,572."

Why?

"First, it's a little higher [if it were a \$1 million property]," says Glazer, "but it looks odd so it gets the attention."

For those who are skeptical, Glazer says it's worked before. He recently was working with a buyer trying to scoop up a West Village apartment. "We employed every single trick in the book — everything was in order, we went very hard on our offer, submitted a fuzzy letter, offered a higher downpayment, but we also submitted [an offer of] \$4,012 over our standard break point — and low and behold, we got it."

## Know when you're licked



Before bidding on an apartment in the West Village building behind him, Jeremy Globerson and his broker set a number for themselves which they would not go above. They walked.

Photo: Christian Johnston

“Set a number in your head where you say, ‘Over that, I don’t feel comfortable buying it,’” advises Clayton Orrigo of Douglas Elliman. If that number has been breached, walk away.

Real estate is such an emotional investment that plenty of people get caught up in a bidding war that they can’t afford.

Jeremy Globerson, a client of Orrigo’s, knew when to walk away.

Globerson had found a turnkey, 900-square-foot, one-bedroom co-op in the West Village that he fell in love with. It was on the market for less than \$2 million.

“When I saw it, the listing broker said I had to give a best and final offer because they had an all-cash offer on the table,” says Globerson. “I came in at \$50,000 above the asking price, to be safe.”

It didn’t work. Globerson’s rival swooped in with a couple of hundred thousand dollars more. Globerson bid his dream one-bedroom adieu.

“You have to be less emotional and more business,” Orrigo says. “But the comedown is hard.”

## When all else fails, overwhelming firepower usually succeeds

On the flipside, if you can afford it, you can purchase victory with an overbid.

Marianna Dimentman of The Corcoran Group brought her client, Jenkins, to a Clinton Hill one-

bedroom condo which was on the market for \$599,000 four days after it was listed — the next day they made an offer.

“Our offer was one of eight, all of which were at ask or above,” says Dimentman. “We had all of his documents in a row and made an offer in a professional and organized manner, but really the offering price and qualification of the buyer are the ultimate deciding factors.”

They bid \$670,000 — more than 11 percent above the asking price. Jenkins won.