As Housing Perks Up, Multiple Bids Come Back

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Housing markets in some pockets of the country, such as Colorado Springs, Colo., and Richmond, Va., are seeing heightened activity. And with it, some properties are attracting multiple bids.

"We're not seeing as many multiple offers as we had at the height of the market. Back then, you could have 30 offers on a house," says David Kerr, a realtor with Zip Realty in the San Francisco area. Now, he adds, multiple offers mean four or five offers on a home.

If sellers are willing to get aggressive in pricing, they can create conditions for multiple offers. But the highest offer isn't necessarily the best offer. A buyer's loan qualification, down payment, credit history and overall financial position must factor into the decision.

For prospective buyers, here's how to handle a multiple-offer situation.

Set a price limit. Multiple-offer situations create an auction atmosphere, which causes people to overspend. Set a maximum on how much you're willing to spend on the home -- and don't exceed it.

If you do choose to go higher, make sure you can afford it. Before submitting an offer, have your lender run the payments at that price, especially if you're offering more than what you originally planned to pay or more than what you were preapproved for. Figure out what your down payment, closing costs and monthly mortgage payments will be with the higher price.

Be flexible on contingencies. Real-estate contracts in most states include contingencies for inspections, appraisals and financing (the loan). They essentially allow the buyer to back out of the contract for a certain reason -- say, if the inspection turns up something you don't like. Offering to shorten the inspection contingency to seven days, for instance, might make you look like a more favorable buyer.

Arrange a call from your lender. When a lender calls the seller's agent and assures him or her that the buyer's financial information has been reviewed and the buyer is qualified to make the purchase, it gives a seller confidence in the buyer.

Recognize the seller's values. If the seller has worked on her garden for years and you fawn over the rose bushes, you're going to look better. A mistake often made by unsophisticated negotiators is undermining what's important to the other party, says Robert Bontempo, a professor at Columbia Business School who teaches a course on negotiations to M.B.A. students and executives.

-- Lisa Scherzer

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Bump-Proof Your Flight
Overbooking on flights has become a bigger problem since the recession, says Tom Parsons, founder of BestFares.com.

Airlines had a bump rate of 1.73 per 10,000 passengers in the first quarter, up from 1.35 a year earlier, according to the Bureau of Transportation Statistics. Airlines bumped more than 762,000 passengers last year, the most since 2002.

In the past, airlines could count on a few no-shows. But most travelers are now booking the cheapest, nonrefundable fares with steep change fees, which make it expensive to miss the flight. Meanwhile, airlines have cut both plane capacity and flight schedules, creating a domino effect of problems if just one flight is canceled or overbooked.

The Department of Transportation released a proposal last week to raise the maximum reimbursement airlines are required to pay travelers bumped from overbooked domestic flights to between $650 and $1,300, up from a range of $400 to $800, starting next year.

Here's how to minimize your chances of getting bumped:

Check a carrier's bump record. Some airlines just don't overbook. JetBlue has a reputation for bumping very few fliers.

Sign up. Members of a carrier's frequent-flier program, especially those with elite status, are less likely to get bumped.

Pick a seat in advance. Pick a seat when making a reservation. Travelers who receive notice that they can't select a seat until check-in should consider that advance notice that the flight is already oversold.

Check in early: Many of the passengers who get bumped are those who check in last. You can check in online up to 24 hours before a scheduled flight. This allows you to secure a seat assignment and boarding pass.

-- Kelli B. Grant

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Tactics to Fight Fat

More employers are offering workers financial incentives to lose weight, but some experts say they're unlikely to work. Cash rewards have been shown to increase smoking quit rates. Losing weight is a whole different ballgame.

But could other strategies used against tobacco apply to the obesity problem?

Cigarettes are taxed. And in the obesity arena, the taxation debate has focused on sugary sodas and drinks. It's unclear whether such taxes actually curb consumption, though, and the proposals may be better at plugging holes in state budgets.

The 1998 tobacco settlement restricted marketing cigarettes to youth, and more curbs followed. There have been plenty of calls for food companies to pull back on pitching unhealthy foods to kids. Also important is making healthy alternatives appealing.

You may have seen health-department print ads showing soda poured from a bottle and turning into a massive fat blob as it hits the glass. They're similar to graphic print and TV ads illustrating the health consequences of smoking. While such antifat ads build buzz, they may not necessarily bring down the numbers on the scale.