Buying a house during residency? Be prepared for a seller’s market

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Today’s housing market makes home buying a challenge for first-time homeowners, but it’s far from an impossibility. A recent webinar, put on by PhysicianLoans—a preferred home-loan provider for AMA members—offers insight on the state of the market and what buyers can do to make themselves more competitive.

The webinar, offered exclusively to members of the AMA GME Competency Education Program, features advice from three real-estate agents who work in different markets around the country. You can watch it now. Here’s a look at some of the key takeaways.

Market conditions

Months supply of inventory—the measure of how many months it would take for the current inventory of homes on the market to sell completely—is generally the barometer of market conditions. In a neutral market, that number hovers between four and five months. Now that figure is largely between one and two months, depending on the location..

“For a buyer, what it means is as soon as a home comes on the market, you want to get out there and see it,” said Delinda Crampton, a real-estate agent for Berkshire Hathaway HomeServices Nevada. “A lot of homes are gone in one to three days. It’s unusual right now to see a home last a week. Right now in Las Vegas we have just over a two-week supply of homes. That means that buyers must come in strong, put their best foot forward.”

Learn why a doctor’s loan could be right for you during residency.

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Be prepared to move

The home-supply shortage requires decisive action. That means working with a lender who can accommodate the unique needs of a physician in training and getting a preapproval before you even start looking at homes.

“A big part of that is having all your ducks in a row with your lender and having a great cadence of communication with your agent,” said Andrew Undem, a real-estate agent in the Baltimore area for Berkshire Hathaway HomeServices. “When your lender gets all of your documents and not just a quick credit check for preapproval, give them everything: tax returns, bank statements, everything they are going to need eventually anyway. When you are really prepared, you can start making stronger offers with more clarity, and you can arm the professionals around you to show the seller you are a slam dunk.”

Check out the factors to consider when buying a home after medical residency.

Know what to expect going in

Because of market conditions, buyers may lose out on homes on which they made offers, and they aren’t going to have much room to negotiate. According to the real-estate agents who took part in the webinar, buyers might be well served looking at homes slightly below their maximum range and expecting them to sell for more than the asking prices.

“You have to have a realistic expectation in this market,” said Deborah Fagan, a real-estate agent in Southern California for Berkshire Hathaway HomeServices. “If you are in a medium price range and you are getting those homes with 16–20 offers it may take you several offers to get into a home. We are looking to get you under contract within your parameters, but there’s often cash offers you are competing with.”

PhysicianLoans is the AMA’s preferred provider of home loans and real-estate agent match services. The company offers financing with less money down, no private mortgage insurance and expanded underwriting guidelines when compared with standard loans. AMA members who buy a home using either a PhysicianLoans home loan or the DRS Agent match service will get three free months of a home-warranty plan.

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