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Regular folks transform into cash buyers to compete in hot housing market

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Modernist Mid-century Home, 3361 Victor Ave, Oakland



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(Peter Lyons / Peter Lyons Photography)

This property in Redwood Heights, Oakland, sold on April 26 for \$820K, 19 percent over the asking price in an all-cash deal.

“Cash is king” is an all-too-true cliché in today’s Bay Area real estate market, where all-cash offers can beat out those with mortgages, even when the financed offers are higher. That’s motivating some folks – even fairly regular people who don’t have Silicon Valley mega-bucks – to go the extra mile to be able to make cash offers.

Whether it’s borrowing from relatives, taking out a home equity loan, tapping retirement funds, or a combination, having that cash in hand can vault a buyer to the front of the line. For a detailed look at how some ordinary people took extraordinary steps to become cash buyers, click [here](#).

“It’s an oft-told tale right now,” said Stuart Maus, an agent with Red Oak Realty in the East Bay. “The market is super-competitive. A cash buyer can afford to lay up a little bit, knowing that the terms of all cash and the ability to have a short close may counter a slightly higher offer with a



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longer escrow period. A buyer with all cash can sharpen their pencil and come in more aggressively with price.”

Consider 3361 Victor in Oakland’s Redwood Heights neighborhood (pictured above). The modernist home closed in late April for \$820,000, 19 percent over asking.

“The winning buyer paid all cash with no loan or appraisal contingencies and a three-day inspection period,” said Aman Daro of Red Oak Realty (Red Oak’s [Deidre Joyner](#) was the listing agent). “There were three offers. The highest offer had inspection, appraisal and loan contingencies, so the listing agent got the lower, all-cash offer to up their price and the sellers accepted it.”

Shana Negin and her husband, who both work as technology creatives, got financial help from her parents for an Oakland home, in which all four of them put their names on the deed.

“They wanted to put some of their retirement investments into something stable and also wanted to help us out,” she said. “Even though we have a pretty decent income, we were never going to have an opportunity to buy a house without that kind of help,” she said. “In a broader picture, people’s parents have been helping them throughout history. If this is a trend, people are just returning back to the way it was.”

Even people who buy with all cash may very well want to get a mortgage afterwards so they can pay back the source of the funds or simply have more liquidity. There are a number of issues cash buyers should consider in structuring their purchase to make sure that their cash-out refinance will go smoothly. For advice from mortgage pros on this, click [here](#).

“A responsible buyer will not only have their cash lined up for the purchase, but will have a plan for how to manage ownership of the property in the year ahead,” said Dianne Crosby, senior vice president of RPM Mortgage in Orinda.

Carolyn Said is a San Francisco Chronicle staff writer. For news and insights on Bay Area real estate, follow her on Twitter: [@csaid](#)

Posted By: Carolyn Said ([Email](#) , [Twitter](#)) | Jun 07 at 4:00 am

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