

Buyer and Seller Tips for Multiple Offer Negotiations



The hope of almost all home sellers when their home goes on the market is for the offers to come pouring in. While this scenario can be very exciting, the presence of several competing purchase offers may be perplexing to sellers unsure of how to proceed.

Faced with this situation, sellers have several options: 1.) accept the "best" offer, 2.) inform all potential purchasers that other offers are "on the table," 3.) "counter" one offer while putting the other offers to the side awaiting a decision on the counter-offer, or 4.) "counter" one offer and reject the others. With the help of their REALTOR®, sellers will be able to determine the best strategy for negotiating and dealing with the offers.

Each of these approaches has advantages and disadvantages that REALTORS® can discuss in greater detail. Inviting buyers to make their "best" offers may produce an offer (or offers) better than those already "on the table." Conversely, buyers, who may feel discouraged that they've already made a fair offer, may break off negotiations and pursue other properties.

While the decision on how to handle the offers belongs to the seller, sellers should seek the advice of their REALTOR® because of the valuable experience their agent may have. Keep in mind though, there is simply no guarantee on how a particular buyer will act (or react) in a specific situation.

Equally important to the strategy employed by sellers when analyzing multiple offers is the strategy used by a buyer to make an offer when other offers are also being made. A low initial offer may result in buying the desired property for less than the listed price or a higher offer made by another buyer may be accepted instead. On the other hand, a full price offer may result in paying more than the seller might have required. In some cases there can be several full price offers competing for the seller's acceptance.

As is the case with listing agents and sellers, a buyer's REALTOR® can explain the pros and cons of these negotiating strategies. However, the ultimate decision on the offer being made belongs to the potential buyer.

Perhaps no situation facing buyers or sellers has the potential to be more frustrating or misunderstood than having competing offers for the same property. In the end, only one offer will be accepted. It is important for buyers to recognize that they may be among those disappointed if their offer isn't accepted. While little can be done to lessen that disappointment, knowing that their REALTORS®' fair and honest treatment throughout the offer and negotiation process, coupled with prompt, ongoing and open communication, may help all buyers – successful or not – to feel they were treated fairly and honestly.

Information furnished by the Montgomery County Association of REALTORS® and the National Association of REALTORS®.