

MAKING AN OFFER - NEGOTIATING

The standard question I always hear from my clients is . . .
"How much should we offer?"

While this is very much an important question, the answer is really not simple.

Everybody sees a home differently. The "audiophile" may find a great deal of value in the "surround sound" built in system with top of the line BOSE speakers in every room. The home buyer who is deaf will find no value in this. The buyer who loves outdoor yard work may find tremendous value in the extensive yard and garden; the buyer who travels constantly and would prefer to spend time on the golf course may see little value in the large yard.

If I were to tell a buyer that they should make a full price offer for a home, only to have them buy the home, move in, then find out from a neighbor that the sellers were about to lower the price the next day, my buyer would be fairly upset. On the hand, if I state that the buyers should start with an offer so low that the seller is offended, throws me out of the home and tells me never to come back with another offer from these buyers, the buyers will be just as upset if they did, in fact, truly want the home.

In a "hot market" it is quite customary for the buyers to pay full price; and if they're competing for the home against other buyers, it will often take an "over full price offer" to secure the home.

What we'll generally try to do is determine a fair price for the home and then devise a negotiation strategy to purchase the home at the best possible price for you.

Do not forget that everything in the purchase agreement is negotiable. Certain aspects of the transaction are of differing value to both the buyer and seller. For example, if a seller has already purchased another home and the closing on that home is fast approaching, the seller may be motivated to sell the home for a slightly lower price in return for a "quick close".

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We must always remember that it takes a *motivated seller* and a *willing buyer* to complete the transaction. In addition, the old saying, "*timing is everything*" also comes into play.

When a home is just listed and a low offer is presented to the seller the first day their home is on the market, they might not be as likely to accept that offer as they would if the home had been listed for 6 months.

Also, if we find ourselves in a "multiple offer" situation, where there is more than one buyer trying to purchase a home. We must consider that we're no longer negotiating with a seller, we're bidding against another buyer. The good news is that they've seen the same value as you have, and this may provide some psychological comfort for you in choosing this home as being a good value for what you're looking for.

The presentation of the offer is fairly straightforward. I, as your agent, will contact the listing agent after we have completed all of the documents. I will inform the agent that we have an offer on his/her listing. The listing agent will then contact the sellers and arrange to present the offer.

After the offer is presented, the sellers have three options - they can accept the offer, reject the offer or make a "counter offer". If, in fact they "counter" your offer I will be contacting you immediately. Upon receiving a counter offer, you, the buyers also have the same three options.

The process continues until we all agree on a price and terms and conclude the transaction, or until one of the parties decides that further negotiations are fruitless and will not result in a "meeting of the minds".