



MULTIPLE-OFFER NEGOTIATION eGUIDE





Negotiation is a critical skill you'll need to have whether you are buying or selling property. Multiple offers can further complicate what can often already be lengthy process. Having the right tools and experience is key to getting the best return on your investment, while minimizing the stress.

In this eGUIDE, I will walk you through some of the best practices in the industry when negotiating a transaction when multiple offers are involved.

This eGuide offers a brief explanation and offers information about what Buyers and Sellers should consider and prepare themselves for in the event they find themselves entering into a multiple offer situation. Every real estate transaction is different, and nothing herein is presented as being all encompassing or implies a guarantee of result. Consult with your real estate professional about the specifics of your transaction to ensure you're making the best decision possible.

In certain markets, especially areas in high demand yet with with low available inventory, Sellers are often in the position to weigh competing purchase offers from multiple Buyers.

Seller can then do one of several things:

- Accept what they feel is the best offer.
- Inform all potential Buyers that there are multiple offers being considered.
- Counter one offer and put other offers on hold until the counter-offer's time limit has expired.
- Counter one offer and reject other offers.
- Reject all offers and re-market the property.





Consider some of the facts and strategies that can affect this type of transaction:

FACT : BOTH parties are seeking the best financial terms for their interests. Sellers want the highest price and Buyers want the lowest.

FACT : There are Seller's Brokers who are charged with representing the Seller's best interest, and Buyer Representatives who represent the Buyer's interest. All REALTORS® are subject to state real estate laws & rules and, if the agent(s) are REALTORS®, to the Code of Ethics of the National Association of REALTORS®.

FACT : The Code of Ethics obligates REALTORS® to be honest with all parties; to present offers and counter-offers quickly and objectively, and to cooperate with other brokers. Cooperation involves sharing of relevant information.

FACT : Ultimately, only one offer will result in the sale of the property. It is imperative that all parties act in good faith, with honesty, and communicate in a timely and truthful way.

FACT : Listing brokers are a professional resource and guide to help protect a Seller's interest in a transaction. However, all decisions in terms of the acceptance or rejection of any offer ultimately is up to the Seller.

FACT : Buyer Representatives are a professional resource and guide to help protect the best interests of the Buyer. Any offer or counter-offer made is up to the Buyer.

FACT : Real estate professionals provide guidance based on their experience, market knowledge, and training. However, real estate transactions come down to a human interaction, so agents can make no guarantees for how either a Buyer or a Seller will react in any given situation.





STRATEGY: Buyers often will present a low initial offer, hoping to purchase a property below the listed price. This can result in a favorable acceptance of the offer or leave a Buyer in a position to be out-bid by another Buyer's higher offer.

Your Buyer representative can help guide you as to current fair market value.

STRATEGY: Buyers can submit full-price offer up front in the hopes of a quick acceptance. The risk is in never knowing whether the Seller would have accepted a lower offer.

STRATEGY: Sellers can disclose the details of multiple offers to any one or all of the prospective Buyers hoping to create a "bidding war." The Seller's goal is to increase the sales price of the home in a more "auction like" setting.



STRATEGY: Sellers may invite all potential Buyers to make their “highest and best offer”, meaning produce a higher offer based on the highest price and terms currently being considered. This could result in a higher sales price. This strategy comes with a risk: it could result in discouraging one or all Buyers from continuing to pursue the property.

Your agent can help you weigh the pros and cons of this strategy.

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These facts and strategies represent just a glimpse of what goes into a successful real estate transaction. Whether you are a Seller or a Buyer, an agent that understands the existing market and economic trends, has negotiating experience, a knowledge of state laws that govern the sale of property, and adheres to an ethical code will all help to ensure that you get the best results.



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