

Tips for Choosing the Best Offer for Your Home

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Have a plan for reviewing purchase offers so you don't let the best slip through your fingers.

You've worked hard to get your home ready for sale and to price it properly. With any luck, offers will come quickly. You'll need to review each carefully to determine its strengths and drawbacks and pick one to accept. Here's a plan for evaluating offers.



1. Understand the process

All offers are negotiable, as your agent will tell you.

When you receive an offer, you can accept it, reject it, or respond by asking that terms be modified, which is called making a counteroffer.

2. Set baselines

Decide in advance what terms are most important to you. For instance, if price is most important, you may need to be flexible on your closing date. Or if you want certainty that the transaction won't fall apart because the buyer can't get a mortgage, require a prequalified or cash buyer.

3. Create an offer review process

If you think your home will receive multiple offers, work with your agent to establish a time frame during which buyers must submit offers. That gives your agent time to market your home to as many potential buyers as possible, and you time to review all the offers you receive.

4. Don't take offers personally

Selling your home can be emotional. But it's simply a business transaction, and you should treat it that way. If your agent tells you a buyer complained that your kitchen is horribly outdated, justifying a lowball offer, don't be offended. Consider it a sign the buyer is interested and understand that those comments are a negotiating tactic. Negotiate in kind.

5. Review every term

Carefully evaluate all the terms of each offer. Price is important, but so are other terms. Is the buyer asking for property or fixtures—such as appliances, furniture, or window treatments—to be included in the sale that you plan to take with you?

Is the amount of earnest money the buyer proposes to deposit toward the downpayment sufficient? The lower the earnest money, the less painful it will be for the buyer to forfeit those funds by walking away from the purchase if problems arise.

Have the buyers attached a prequalification or pre-approval letter, which means they've already been approved for financing? Or does the offer include a financing or other contingency? If so, the buyers can walk away from the deal if they can't get a mortgage, and they'll take their earnest money back, too. Are you comfortable with that uncertainty?

Is the buyer asking you to make concessions, like covering some closing costs? Are you willing, and can you afford to do that? Does the buyer's proposed closing date mesh with your timeline?

With each factor, ask yourself: Is this a deal breaker, or can I compromise to achieve my ultimate goal of closing the sale?

6. Be creative

If you've received an unacceptable offer through your agent, ask questions to determine what's most important to the buyer and see if you can meet that need. You may learn the buyer has to move quickly. That may allow you to stand firm on price but offer to close quickly. The key to successfully negotiating the sale is to remain flexible.

G.M. Filisko is an attorney and award-winning writer who has endured several property closings, but the easiest was done through the mail. A frequent contributor to many national publications including Bankrate.com, REALTOR® Magazine, and the American Bar Association Journal, she specializes in real estate, business, personal finance, and legal topics.

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