

# realestate forrealpeople

By Mara Muller

## Multiple Offers— Survival of the Fittest

In a hot market like so many of the most sought-after neighborhoods are experiencing now in Naples, there are more buyers than homes for sale. Prices may rise, and some homes will sell before they even get to the MLS. That means that sellers can often be presented with multiple offers. How can you position your offer to be the one the seller accepts? The best way is to understand how multiple offers work. Because the seller has his/her pick of offers, you will have to determine how badly you want this particular home. If you want to compete in a multiple offer situation here is what you will need to know:

### Price and Terms

There are two things that matter to the seller—price and terms. They want the highest price possible, and the best terms available. But just because a seller is entertaining multiple offers doesn't mean you don't have a chance. You just have to hit the right note with the seller that the other contracts don't. To give you an idea of how important terms are to the seller, imagine this scenario - You offer a seller the highest price for his/her

home, but you put in the contract a contingency that you must sell your home first before you can close on the seller's home. It may seem reasonable to you, but these are terms that the seller in this market

would need to accept. The seller will only accept terms that meet his/her own needs, so keep contingencies to a minimum. Ask your agent to find out from the seller's agent what

Believe it or not, the highest price doesn't always buy the home. Sellers have a number of needs aside from price; they may want a quick closing, or need to remain in the home after closing to let their children finish the school year. An offer that puts any of these goals at risk may not be accepted. Addition-



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ally, a buyer may make the highest offer, but may not have been qualified by a lender, which is a substantial risk for the seller. In a hot market like this, many sellers won't even entertain offers presented by unqualified buyers. You can do a number of things to get the seller's attention - offer to pay all closing costs, to pay full price, or a little above the asking price. Work with your agent to determine the seller's "hot" buttons, and act accordingly.

### Deadlines can be deadly

Don't assume that the seller has to respond to your offer by your deadline. Deadlines are only important to the seller if s/he plans to either accept your offer or wants to keep the negotiations going. By the same token, if the seller counters your offer and gives you a deadline for accepting, and another offer comes in that is more attractive than yours, the seller can withdraw his/her counter offer to you in writing and accept the other offer.

### Don't falter in the negotiations

Don't assume that because your seller is negotiating with you that s/he can't entertain other offers. All it takes is for one party to make a change that the other party doesn't accept and negotiations are over.

In fact the seller's agent is under no obligation to let your agent or you know if there are other contracts on the table or not. The seller may be waiting to see your best offer before accepting another offer that may already be on the table. Multiple offers are often used by sellers to improve upon the asking price or terms. The sellers' agent may be instructed by the seller to ask the buyers to "give it their best shot."

### Know when to throw in the towel

There may come in a time when it is wise to simply give up and move on to another home. Some sellers, in a multiple offer frenzy, will simply make unreasonable demands. Some will even demand offers beyond those that can be justified by comparables or local lender guidelines. Lenders have a ceiling on what they will lend on homes in a given area and it can be broken down by square foot, age, history, and other factors. If the comparables don't justify the price, the lender may refuse to take a chance on being the first to raise the loan limits on a certain neighborhood or home.

The best way to position yourself as the buyer whose offer is accepted is to work closely with your Realtor® to determine the best buying strategy for you to get you into the home of your dreams.



**Mara Muller** has lived in Naples since 1996 with her husband and two daughters. Her focus is helping families reach their real estate goals. She is a CRS (Certified Residential Specialist—only 3% of Realtors nationwide!). Contact her at [www.MaraSellsNaples.com](http://www.MaraSellsNaples.com) or 449-2777 with your real estate questions.

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