

The Right Offer Price

As a buyer, your goals are very different from the sellers during negotiations. You want to pay as little as possible while sellers want to sell for the highest possible price. Buyer advantage comes with market knowledge.

You may have seen enough to decide your offer price. However, it's wise to ask your sales professional to provide you with sold property data. By examining recent sales of similar properties you can reduce the risk of overbuying.

Know how the market has behaved recently to focus your offer price. You can assess the likelihood the seller will take less by looking at the number of competing properties and days on market. If comparable homes are selling quickly, your selection might not last long. This would prompt an offer price closer to list.

Understand your market. In a buyer's market with plenty of inventory, a lower offer will have a better chance. In a seller's market, where inventory is scarce, a low offer price makes you vulnerable to a competing offer. In general, a seller will take less in a buyer's market and budge little in a seller's market.

If you are competing with another buyer(s) for the same house, consider making an offer greater than list price. Your sales professional can advise you how to view the market and hone in on a prudent offer price. Consider how long you have searched, how motivated you are, and if you have a back-up property.

Always remember that time is of the essence. Long negotiations increase the likelihood that another buyer could make an offer on the same property or that the sellers might change their minds.