

Multiple Offers: Questions to Consider in a Seller's Market

When homebuyers outnumber sellers, the result can be a multiple offer scenario. If you're searching for homes in a competitive market, you'll want to consider the dynamics of multiple offers and understand how this could impact your negotiating strategy.



Some questions to discuss with your buyer's representative:

? Will I know if I'm in a multiple offer situation?

Not necessarily. Typically, it works to a seller's advantage if buyers know they are competing with one another. But a seller must give their agent permission to disclose the existence of other offers before they can share this with your buyer's rep.

? How will offers be presented to the seller?

The seller decides if they want to review offers individually or have a group presentation. Once presented, sellers can accept (or counter) one offer, reject all offers, or reject all offers in conjunction with a request to resubmit a "highest and best" contract.

? Will other buyers know the details of my offer?

In states where offer terms are not confidential by law, the only way to preserve confidentiality is to ask the sellers to sign a confidentiality agreement before presenting your offer, which also applies to their agent. However, if the seller opts for a group presentation of offers, you'll either have to withdraw your offer or revoke the confidentiality agreement.

? If my offer has the highest price, can I be confident that I'll beat other buyers?

No. Sellers can accept whichever offer they consider "best," and that may depend on other factors, like the certainty of closing (e.g., the buyer's mortgage is already fully approved) or a preferred closing date.

? What are my options for writing a stronger offer?

In addition to firming up your financing and adjusting your closing date, you can also eliminate contingencies, increase your earnest money deposit, offer to pay closing costs, or make other accommodations. Discuss your options with your buyer's rep.

? If I don't want to compete with other buyers, can I withdraw my offer?

Yes, as long as you notify the seller that you're revoking your offer before they've accepted it.

Every homebuyer benefits from having their interests represented in a real estate transaction, but in a multiple-offer scenario, it's especially critical to work with an Accredited Buyer's Representative (ABR®).

An ABR® designee can help you understand and anticipate each step in a competitive negotiation situation and improve the likelihood of a successful outcome.