

The Real Estate Negotiating Process

You've found a home that's right for you, and it's time to make an offer. What steps are involved in negotiating a real estate purchase?



Step 1.

Research and Planning



Depending on market conditions, you may have to act quickly before another buyer steps ahead of you. The best way to approach a home purchase is to arm yourself with facts and plan a negotiating strategy with your buyer's rep.

An Accredited Buyer's Representative (ABR®) can provide valuable assistance, counseling you on current market conditions, price ranges, comparable properties, and appropriate negotiating strategies.

Step 2.

Submit an Offer



Real estate transactions require a written contract, which starts with an initial offer. A check for earnest money usually accompanies an offer.

Your offer will specify a price, plus all the

terms and conditions of the purchase you want to negotiate. Your buyer's rep provides a valuable service by helping you use standard forms that are kept up to date with changing real estate laws in your state and by explaining the negotiating impact of including various terms and conditions.

Step 3.

The Seller's Response



When your offer is presented, the seller's options are to:

Accept. If the sellers sign their unconditional acceptance, then you will have a binding contract as soon as you are notified of the offer's acceptance.

Reject. If the sellers reject your offer, you are released of any obligation. Sellers cannot change their minds later and expect to bind you to a rejected contract.

Counteroffer. If the sellers like most aspects of your offer, they may present

a written counteroffer that includes the changes they'd like to make. You are free to accept their counteroffer, reject it, or make your own counteroffer. This process can repeat itself as often as necessary for you and the sellers to agree, and sign, the sales contract. At this point, negotiations are over, and the terms of the sale are final.

It is important to note that the negotiating process always moves forward; buyers cannot accept a counteroffer that they previously rejected. If the property is still available, buyers must reinitiate negotiations by submitting a new offer.

Withdrawing an Offer

Can you take back an offer? In most cases, the answer is yes—until your offer is accepted. If you want to withdraw your offer after acceptance, be sure to consult a lawyer who is experienced in real estate matters first. You want to avoid losing your earnest money deposit or being sued for damages the sellers incurred because of your actions.

The Accredited Buyer's Representative (ABR®) designation is awarded by the Real Estate Buyer's Agent Council (REBAC), a subsidiary of the National Association of REALTORS® (NAR).

To learn more about REBAC and access various home buyer resources, please visit abr.realtor.

