

# RECEIVING AND NEGOTIATING OFFERS



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# WHEN IT COMES TO SELLING YOUR HOME, REVIEWING AND ANALYZING OFFERS IS A CRUCIAL STEP IN THE PROCESS



This step requires a great deal of attention to detail and consideration, as it can greatly impact the outcome of your home sale. We will discuss some tips on how you can effectively review and analyze offers when selling their home.

## **Understand the basics of the offer:**

The first step in reviewing an offer is to make sure you understand the basic terms of the offer. This includes the offered price, closing date, and any contingencies or conditions the buyer has requested. Take the time to carefully review each aspect of the offer, and make sure you understand what each term means.

## **Evaluate the offer price:**

The offered price is arguably the most important aspect of an offer. You should carefully consider whether the offered price is fair and reasonable for your home, based on its condition, location, and the current market trends. Keep in mind that a higher offer price may not necessarily be the best offer, as other terms of the offer can also impact its overall value.



### **Consider the contingencies:**

Contingencies are clauses that protect the buyer in the event that certain conditions are not met. For example, a buyer may include a contingency that the sale is contingent on the home passing a home inspection, appraisal or another home sale. It is important to carefully review any contingencies in the offer, as they can impact the overall value of the offer.

### **Review the financing terms:**

If the buyer is obtaining financing to purchase your home, you should review the financing terms included in the offer. This includes the type of financing, the down payment amount, and the closing date. Make sure that the financing terms are reasonable and that the buyer has provided proof of their ability to obtain financing. I highly recommend speaking with the buyers lender to verify the information provided was accurate.

### **Consider any additional terms:**

In addition to the basics of the offer, there may be additional terms included that can impact the overall value of the offer. For example, a buyer may include a request for certain items to be included in the sale, such as appliances or furniture. Carefully review any additional terms included in the offer to ensure they are reasonable and acceptable to you.

### **Evaluate the buyer:**

It is important to consider the buyer when reviewing an offer. You should take into account the buyer's financial stability, their pre-approval status, and any other relevant factors. This will help you assess the likelihood that the buyer will be able to complete the sale.





### **Estimated Net Sheet**

This is an important document your real estate agent or title company can provide. It breaks down the closing costs. You will have title fees, HOA fees (if applicable), prorated taxes, broker fees etc. This net sheet breaks down exactly what you can expect to net based on the offered terms and standard closing fees. The reason this is so important because you need to know what you'll net at the end of the day so you can make informed decisions and know whether or not the offer is what you expected. Depending on the terms, you are now informed and can negotiate further.

### **Consult with your real estate agent:**

Your real estate agent is an expert in the home selling process and can provide valuable insight and guidance when it comes to reviewing and analyzing offers. They can help you evaluate the terms of the offer and provide advice on how to negotiate with the buyer.

In conclusion, reviewing and analyzing offers is a crucial step in the home selling process. By carefully evaluating each aspect of the offer and considering the buyer and their circumstances, you can make an informed decision on whether to accept, reject, or counter the offer. Don't hesitate to consult with your real estate agent for guidance and advice throughout this process

# Contingencies

## **Financing Contingency**

The financing contingency is one of the most common contingencies that buyers include in their purchase contract. This contingency allows the buyer to back out of the sale if they are unable to secure financing for the purchase. If the buyer is unable to obtain financing within the specified time frame, the sale can be terminated, and the buyer may be entitled to their earnest money deposit back.

To handle this contingency, sellers can request that potential buyers provide pre-approval letters from a lender before accepting their offer. This helps to ensure that the buyer is financially capable of purchasing the property, reducing the likelihood that financing will fall through.

## **Appraisal Contingency**

Another common contingency is the appraisal contingency. This contingency allows the buyer to back out of the sale if the appraised value of the property is less than the agreed-upon purchase price. In this scenario, the buyer can either request that the purchase price be reduced to match the appraised value, or they can back out of the sale and they may receive their earnest money deposit back.

To handle this contingency, sellers can work with their agent to price the property appropriately, taking into account recent sales in the area. This can help to ensure that the property appraises for the agreed-upon purchase price.

## **Home Inspection Contingency**

The home inspection contingency allows the buyer to have the property inspected by a professional home inspector. If the inspection reveals any issues with the property, the buyer can either request that the seller make repairs or provide a credit to cover the cost of repairs. If a seller is unwilling to make repairs or provide a credit, the buyer can back out of the sale and receive their earnest money deposit back.

To handle this contingency, you can have a pre-listing inspection done before listing the property. This can help to identify any issues with the property that need to be addressed before listing the property for sale. Additionally, you can work with your agent to disclose any known issues with the property in the listing, which can help to reduce the likelihood of surprises during the inspection.

# Contingencies

## **Title Contingency**

The title contingency ensures that the buyer receives clear title to the property. If there are any liens, judgments, or other claims against the property, the sale can be terminated, and the buyer may be entitled to their earnest money deposit back.

To handle this contingency, sellers can work with a title company to ensure that there are no issues with the title before listing the property for sale. Additionally, disclose any known title issues in the listing, which can help to reduce the likelihood of surprises during the sale.

Contingencies are a common part of real estate transactions, and it's important to be prepared for them when selling a home. By working with an experienced agent and taking proactive steps to address potential contingencies, you can increase the likelihood of a successful sale.

## Tips

### **Be open to compromise**

Negotiations are all about compromise, and it's important to be open to it. Consider all offers and counteroffers and be willing to make concessions if it means closing the deal.

### **Keep emotions in check**

Selling a home can be an emotional experience, but it's important to keep your emotions in check during negotiations. Try to approach negotiations in a businesslike manner and avoid getting defensive or taking things personally.

Reviewing and analyzing offers is a crucial step in the home selling process. By carefully evaluating each aspect of the offer and considering the buyer and their circumstances, you can make an informed decision on whether to accept, reject, or counter the offer. Don't hesitate to consult with your real estate agent for guidance and advice throughout this process.





# THANK YOU!

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