

TREVITT

R E A L T O R S

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Bids and Offers

From the Seller's Perspective

When selling your home, there are two main factors to consider: how much are you willing to accept for your home and in what time frame do you have to sell it. The price of your home will play a big part in how quickly it sells. Therefore, it is important to price your home based on its true market value. A good agent will help you set a price that is fair to both you and the homebuyer. For more detailed information on pricing a home, reference the "Pricing Your Home" article.

Legally, an agent representing a buyer must present all offers to you, regardless of the amount. Take all offers seriously, and do not be offended by low offers. It is always your decision to accept or reject an offer.

When prospective buyers make offers they may include contingencies for certain events. For example, they will buy your home when their current home sells. Or, they will buy your home if you repair the roof. Often, earnest money is given as a non-refundable deposit to show the seriousness of the offer. You also have the right to include contingencies to the contract, such as allowing you to continue to market your home in case the contingent offer falls through. By including a "kick-out" clause, if another bid is made during the contingency period, you can accept that offer after giving the first buyer notice of the new offer and time to respond.

If you have multiple bids, it is up to you which one to accept. If one buyer makes a higher offer but includes several contingencies, you may find it more advantageous to choose the buyer with a lower bid who has no contingencies. Legally you can not discriminate against a buyer because of race.

As a seller, use the following guidelines:

- Let your real estate agent do the negotiating.
- Look at all offers seriously.
- Don't get emotional over offers.
- Be open-minded to all prospective buyers.
- If you make a counter offer, make the best one possible.
- Don't judge buyers by appearance.

From the Buyer's Perspective

Buyers should be aware that traditionally, the listing agent has legal responsibility to the seller.

Many states allow for "buyer agency" which means an agent is contracted to work exclusively for the buyer and has legal responsibility only to the buyer. It is to your advantage to ask the agent to act as a buyer's agent to be your complete advocate, particularly if you are a first-time buyer.

The buyer's agent can be a "sub-agent" of the seller's agent, but this is becoming less common. The "sub-agent" has disclosure responsibility to the seller even though they are helping the buyer. This means if you make an offer but tell the agent you would be willing to pay more if the offer is rejected, your agent must reveal this information to the seller if asked. If you must work with an agent who is acting as a "sub-agent" do not divulge information to the agent that you would not want revealed to the seller.

When you find the house you want, make your most reasonable offer. The buyer may not make more than one counter offer. Make sure you understand all the items included in the sale. Items that are permanent attachments are usually included in the sale of a house, but occasionally there may be exceptions. For example, if you want the kitchen appliances, make sure that is spelled out in the contract. You may assume an antique chandelier is included, while the sellers plan to take the chandelier to their new home. By spelling out all specifics in the contract, last-minute haggling can be avoided, and closings can proceed as planned.

As a buyer, use the following guidelines:

- Let the Realtor® do the negotiating.
- Do not call the seller.
- Don't give a rock bottom bid unless you are aware the seller is open to one.
- Include everything in the bid that you want, including inspection service, repairs, appliances, etc.
- If the seller is present during viewing, don't give your personal opinions about the home.
- Ask the buyer's agent to run comparisons for similar homes to be sure your offer price is competitive; this may minimize counter offers.