

Overwhelmed with multiple offers? Here's how to handle them better

In our current market, listing agents are finding their clients being met with multiple offers on their home. To ensure both sides leave the transaction happy, here are a few tips for effectively handling multiple-buyer situations

BY CLARENCE WEBB



Bidding wars are a listing agent's dream and a buyer agent's nightmare. In our market's current state of low inventory, sellers are finding that their homes are receiving multiple offers from prospective buyers.

In Northwest Indiana, it's unlike any time I can remember. Along with traditional movement, we're seeing an exodus of Chicago residents looking to escape the busy and **populated city life** to settle down in more rural areas. The result? Less sellers and more buyers.

Our recent focus has been to guide and counsel our agents on how to properly and effectively handle multiple-buyer situations, where both the seller and buyer leave the transaction happy. Here are a few tips and tricks for listing agents to look out for when their clients are **met with multiple offers** on their home.

1. Keep your sellers informed and prepared

We always remind our agents that their sellers will likely go through a challenging, emotional journey when they list their home. Their house is filled with countless memories and milestones — and letting go isn't always an easy process. We have to [make sure they're ready](#) by preparing them with the right information and guidance they need. Ensure you inform them about market conditions and expectations for the upcoming transaction ahead of time. It's critical that clients are fully aware of what may come, including the flurry of activity that multiple bids can bring.

While it may be exciting, I urge our agents to prepare their sellers for the shock of potentially getting strong offers within hours of the sign first going into the ground. When offers start pouring in (we're seeing as many as five in just a matter of hours), we don't want our sellers to feel overwhelmed by all of numbers and figures coming at them at once.

We also tell our agents to be prepared. If they understand what may come, they can expect it. It's similar to when we hear [athletes say they prepare](#) by imagining what the game and atmosphere will be like. Being prepared supports peak performance — for athletes and agents.

2. Be mindful of the aggressive buyer

In the current state of the real estate market, we see a large majority of both buyers and sellers making accommodations toward reaching a common goal during [the negotiation period](#).

However, some buyers will use this period of uncertainty to apply pressure and speed up the process by giving the seller a 12-hour deadline to respond to their offer.

We encourage our agents [to communicate directly](#) with the buyer's agent to reduce the time-crunch stress. Instant communication is not only a strong negotiation tactic but also helps maintain a good relationship with your agent colleague.

The ultimate goal is to take the fight out of the battle by letting buyers know where you stand on their offer as soon as possible. If a time-sensitive offer is good, there's nothing wrong with asking for more prep time before moving into the contracting phase.

3. Look for the net price

The price on the first page of a contract may sound appealing, but what really matters is the net price — the dollar amount the sellers are essentially leaving with. We see this play out as it relates to the wide variety of loan preapprovals out there right now.

For example, if the buyer wants to [utilize an FHA loan](#), the seller may be required to do repairs on the home, which can come out of their pocket. Gathering all of the facts and numbers for the client is extremely important to make sure they receive the best offer that best fits their needs.

4. Time is of the essence

One of the more interesting things that we see with multiple bids is that agents are not negotiating on price. Instead, they are negotiating on *time*.

Agents are doing a great job in setting a solid price that fits with comps and expected appraisals. At the same time, buyer's agents are doing a great job presenting acceptable offers, usually avoiding "low-ball" offers.

When negotiating the terms of an agreement, the time of possession has become one of the most critical terms. We've seen deals fall apart

because both sides struggle to agree on timing. Therefore, many of the concessions sellers are making is to ensure they have enough time before leaving for their next home. Those extra days can be even more important than a higher price.

As agents in today's market where buyers and sellers are up against a clock, we need to focus on preparing and helping navigate buyers and sellers [through the transaction](#), which now includes the uncertainties of the COVID-19 pandemic.

Today's environment demands preparation, real-time communication and, most importantly, the recognition that taking the time you need through each negotiation can lead to success.

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