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Let's Talk About Real Estate

“DON'T IGNORE THE FIRST OFFER”

Let's assume that you have had your home on the market for only one week. Your asking price is \$144,900. Today your Realtor® calls to ask for an appointment to present an offer that a buyer has just made on your home. Of course, you are delighted to hear the news and anxiously await the Realtor's arrival to learn more about the terms of this offer.

The amount of the offer is \$140,000. Because this is the first bid on your home and due to the short market time of one week, you feel quite certain that there will be many more if this sale does not go through. Your reply to the buyer is that you have decided to hold out for your full price of \$144,900. The buyer chooses not to pay your figure and continues to look at other homes.

The weeks begin to go by with no other offers in sight. After a period of two months on the market, you begin wondering if you should have been willing to negotiate with a little bit more flexibility than you did. You ask your agent to see if the original buyer has found another home yet. Unfortunately, the buyer has already bought and moved into another home in your area. In an effort to get some new interest in your home, you decide to drop the asking price to \$142,500. Five weeks later, another buyer becomes interested in your home and submits an offer in the amount of \$135,000. Because you have been trying to sell your home for over three months, you are getting rather tired of the whole situation and decide to counter this offer with a figure of \$140,000. The buyer, who knows your home has been for sale for a while, agrees to split the difference at \$137,500. Reluctantly, you finally settle for the \$137,500 figure.

This scenario that I have just described is not at all unusual. It is normal to feel that other offers are just around the corner when you get an offer shortly after putting your house up for sale. Ironically, however, the first offer is usually the best offer you will ever receive. The longer your home remains on the market, the least likely you are to be in a strong bargaining position when an offer comes along.

ADVICE: The first offer is usually made by someone who has been waiting just for your type of house to become available. Don't ignore that first offer.