

A Sellers' Guide to
Multiple Offer Negotiations

Presented by the National Association of REALTORS®
and the
Wisconsin REALTORS® Association

Information for Sellers

- It's possible you may be faced with multiple competing offers to purchase your property. Your listing broker can explain various negotiating strategies for you to consider. For example, you can accept the "best" offer; you can inform all potential purchasers that other offers are "on the table" and invite them to make their "best" offer; you can "counter" one offer while putting the other offers to the side awaiting a decision on your counter-offer; or you can "counter" one offer and reject the others.
- If you have questions about the possibility of multiple offers and the way they can be dealt with, ask your listing broker to explain your options and alternatives.
- Realize that each of these approaches has advantages and disadvantages. Patience may result in an even better offer being received; inviting buyers to make their "best" offers may produce an offer (or offers) better than those "on the table" – or may discourage buyers who feel they've already made a fair offer resulting in them breaking off negotiations to pursue other properties. Your listing broker will explain the pros and cons of these strategies (and possibly other) negotiating strategies. The decisions, however, are yours to make.
- Appreciate that your listing broker's advice is based on past experience and is no guarantee about how any particular buyer will act (or react) in a specific situation.

Perhaps no situation facing sellers is more potentially frustrating or fraught with potential for misunderstanding and for missed opportunity than presenting and negotiating multiple, competing offers to purchase the same property. Consider the following issues and dynamics.

- Buyers want to buy at the lowest price and on the most favorable terms.
- Buyer representatives represent the interests of their buyer-clients.
- Will telling several buyers that each is being given a chance to make their "best offer" result in spirited competition for the seller's property? Or will it result in the buyers looking elsewhere?
- What's fair? What's honest? Why isn't there a single, simple way to deal with multiple competing offers?

Knowledgeable sellers realize there are rarely simple answers to complex situations. But some fundamental principles can make negotiating multiple offers a little simpler.

- Realize the listing broker represents the seller – and the seller's interests, and the buyer-representative represents the buyer – and the buyer's interests. Real

estate professionals are subject to state real estate regulation and, if they are REALTORS®, to the Code of Ethics of the National Association of REALTORS®.

- The Code of Ethics obligates REALTORS® to be honest with all parties; to present offers and counter-offers quickly and objectively; and to cooperate with other brokers. Cooperation involves sharing of relevant information.
- Frequently frustration and misunderstanding results from cooperating brokers being unaware of the status of offers they have presented on behalf of their buyer-clients. Listing brokers should make reasonable efforts to keep buyer-representatives up-to-date on the status of offers. Similarly, buyer-representatives should keep listing brokers informed about the status of counter-offers their seller-clients have made.

Finally, everyone needs to appreciate that in multiple offer situations only one offer will result in a sale, and the other buyers will often be disappointed their offers were not accepted. While little can be done to assuage that disappointment, fair and honest treatment throughout the offer and negotiation process, coupled with prompt, ongoing and open communication, can enhance the chances that all buyers – successful or not – will feel they were treated fairly and honestly.

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