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7 ways to help buyers win in multiple-offer situations

Agents, are you prepared for market shift?

BY **BERNICE ROSS**



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While most agents dread being in a multiple-offer situation where they represent the buyers, in many cases it's much easier than representing the sellers. To win the house for your buyers, you need a battle plan.

Personally, I always found it much easier to represent the buyers rather than sellers on multiple offers. Here are seven key steps for creating a battle plan that will help become the winning agent.

1. Address the buyers' multiple-offer strategy right from the start.

When you conduct your buyer's interview, address the possibility that there could be multiple offers on the property the buyers want. Here's what to say:

"Mr. and Mrs. Buyer, the market has been improving and we have begun seeing multiple offers again. If there are multiple offers on the property you want, how would

you like me to negotiate on your behalf? Here are your options. First, you can continue the negotiation as if no one else is making an offer. Second, if you really want the house, you can offer close to asking price. If you can't live without this house, then it's smart to probably offer full price or a little bit over asking price. The final option is to walk away if someone else puts in a bid. How would you like me to handle this situation if it were to occur?"

Having this conversation and writing down the buyers' preferences is a great way to avoid difficulties if the actual situation occurs.

Regardless of what the buyers told you at the time you did your buyer's interview, be sure to re-verify that they still want you to proceed in the same way. Furthermore, be determined to point out that they are calling the shots in the negotiation -- it's their house and it's their decision as to how the offer should be negotiated.

2. Preapproval, not just prequalification.

One of the best ways to prepare your buyers for a multiple-offer situation is to ask them to obtain a preapproval letter from their lender. "Preapproval" means that the lender has checked their credit and that the borrower will be approved once the title work and the inspections are complete. A prequalification letter means that the lender has looked at the application but has not checked the borrowers' credit. Consequently, you want a preapproval, not a prequalification letter. Make sure that you have this in your file and include it when you present your offer.

3. Outflank the competition.

There are a number of ways that you can make your offer stronger than your competitors' offers. First, you can allow the seller to select the closing date, the title company, and the escrow or closing agent.

A second approach is to shorten the contingency periods. Under no circumstances, however, do you let your clients eliminate the loan or inspection contingency clauses, even if they are going to tear the property down. I have many past clients who are still living in the properties they thought they were going to tear down.

You can also suggest that your clients be flexible about any special needs the seller may have, such as leasing back the property or taking something such as the big-screen TV that is currently attached to the property.

4. Ask for management assistance.

Most agents are not well trained in handling multiple offers. If at all possible, request that the office manager be present during the multiple-offer presentation, especially if the listing agent has his own offer on the listing.

5. Ask the listing agent to give everyone enough time to reach his clients.

Prior to the time you present your offer, ask the listing agent if he would be comfortable giving everyone enough time to get the offers back. You could also suggest that the listing agent ask all buyers' agents to bring back their best offers so the negotiation doesn't drag out over a long period of time.

6. Don't be afraid to ask.

While you may never tell a buyer's agent what offers are on the table, don't be shy about asking when you represent the buyers. You could also ask, "What has the seller turned down?" Whether or not you communicate this to your buyer is debatable. Many times, especially when their circumstances may have changed, sellers have ended up taking much less than what they turned down at an earlier date.

7. Prepare your buyers *not* to get the property.

No one likes losing a house that they want. In fact, some people can become quite angry. This is why it's so important to let the buyers call the shots on the deal. An additional strategy that works well is to tell the buyers that for whatever the reason, this house wasn't the right one for them and that you will find the right house. The key step is to keep looking.

Multiple offers can be challenging, but if you will follow the simple guidelines above, you may be surprised how often you're taking a closed transaction check to the bank.

Bernice Ross, CEO of RealEstateCoach.com, is a national speaker, trainer and author of the National Association of Realtors' No. 1 best-seller, "Real Estate Dough: Your Recipe for Real Estate Success." Hear Bernice's five-minute daily real estate show, just named "new and notable" by iTunes, at www.RealEstateCoachRadio.com. You can contact her at Bernice@RealEstateCoach.com or [@BRoss](https://twitter.com/BRoss) on Twitter.