

To Accept, Reject, or Counteroffer....That is the Question

Your complete set of response options to any offer are the following:

- ◆ Accept the offer exactly as it is written
- ◆ Reject the offer
- ◆ Propose a counteroffer.

Your home has been on the market for some time. An offer was nearly inevitable. You should have developed some idea of what is acceptable to you. If you sleep on it, the offer could become a nightmare and be gone in the morning. **Respond NOW.** But before you do, consider carefully the details as well as all of the alternative courses of action.

If you accept the offer, sign, initial, and thank all parties.

If you reject the offer, write, "REJECTED" across the face of the contract form, and initial the notation. Do not sign. Give no information other than that the offer did not form a basis for discussion. This sends the strongest negative message back to the buyer. It is rarely the best course of action, because it can end the negotiations. Nevertheless, make it clear that you would consider another offer. Sometimes it takes jacks or better to open the bidding.

If you counteroffer, you are implicitly rejecting the buyer's offer. Your counteroffer becomes the only offer on the table. Note that when you counteroffer you return control to the buyer. It is then his or her decision whether to accept, reject, or counteroffer, and when. Since you are giving up control, you should counteroffer only if the changes you make are truly of major significance to you.

Your counteroffer will be made in writing, usually by making changes directly on the original offer, initialing them and leaving space for the buyer's initials, which will signify approval. The modified document will be presented to the buyer for consideration. Ask the agents to avoid negotiating by phone unless the change involves only one item and is relatively insignificant. Also avoid rewriting the contract. Yes, it will probably become cluttered, but you need be concerned only with clarity and legibility. Rewriting the contract for the sake of neatness can cost you dearly. So don't ask.

There **is** a fate worse than rejecting an offer because the buyer is not financially qualified: That is, getting locked in with a buyer who is unable to close and having your home off the market, all the while begging the buyer to release you from the contract so that you can get on with your home sale and your life. So, review your buyer's financial qualifications carefully.

You should be very happy if you receive multiple concurrent offers. Recognize that you are in an excellent negotiating position and act accordingly. You should consider all of the offers and resolve any questions before responding. Your agent will help to organize the information, compare the proposals, and evaluate your options. If you accept one of the offers it need not be the one with the highest offer price, the one with the greatest "bottom line," nor the one from the best qualified buyer.

Your agent also will avoid skillfully the embarrassment of having your house sold to more than one party. This sounds ridiculous, but it does happen. Be alert for this possibility if negotiations span more than a few days. Make sure that any counteroffer you make comes back accepted, counteroffered, or rejected with the buyer's initials, **not the agent's!**

But not so fast! Just as you are ready to put your final initials on a binding contract, consider this: Some sellers express remorse following conclusion of a negotiation. This is not only unfortunate, but also totally unnecessary. So, when negotiations are nearing an agreement, hopefully at the last stage, play this imagination game. Consider carefully the terms and conditions to which you are about to agree. Remember that a contract is binding and that its details can be changed only with the agreement of all parties. Then imagine that the proposal on the table has been finalized, that you have had a good night's rest and that it is now tomorrow morning. Do you have reservations about the agreement? Could you have done better? Tomorrow morning will be too late to make significant changes. Are you sure that you want this proposal to become a binding contract now? Of course, you can "sleep on it." But there will be no additional information available in the morning, and a delay can only serve as an opportunity for the buyer to reconsider too. If the proposal is acceptable, sign it now and be happy.

When you reach an agreement, your negotiations are finished. Go ahead, celebrate. You have a contract. (While this is an important milestone for sellers, experienced agents have learned to postpone their celebration until after the closing.) Keep in mind that contract provisions can be altered with the agreement of all parties. So, if you need a minor change later, feel free to ask.

In all stages of the negotiation, maintain a reasonable or at least a defensible position. **Always project your sincerity and avoid emotion.** These general guidelines will lead to your most favorable contract.

*This series is excerpted from David Rathgeber's SELLING YOUR HOME in the Washington, DC Metropolitan Area
Copyright © David Rathgeber. All rights reserved.*

Read David's SELLING YOUR HOME... book, free online at www.DrRealEstate.net - (no registration required)