



I'm Selling My House - Should I Accept the First Offer?

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Is the first offer the best offer?

Your home has been on the market for two weeks. You've had six inspections and one offer. It's a good offer but not quite what you wanted.

You've done your own market research on property prices in your area on similar properties. Let's also assume you have checked out your home on Reals.com, a fabulous property price prediction app.

You have also used some of the home valuation guide websites to give you a strong idea of the value of your home.

Well, guess what.....so has the buyer.

That first offer can be anything right within your 'ballpark figure' and totally acceptable to outrageous and almost insulting. And it could come after months of listing your home for sale or as soon as your property listing is live.

Whatever the situation....how do you manage to stop, take a breath, and analyse if the offer is the best one for you?

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People will often theorise that the first offer is usually the best....and sometimes it is....but not always. What is undoubtedly the case is that any first offer will cause you some level of anxiety and stress. For example, if it comes early in your sales campaign, how do you know it could be the best possible price? Or if you have been on the market for months, perhaps you feel it may be the only offer you get?

So what should you do?

At the start of the sales process, before the home is officially on the market, set your own personal limit - or reserve if you like. Be realistic and be firm with yourself. Make sure your price is based on a realistic valuation of your home.

Do your own research on your local market. There are also loads of great online home valuation tools to use which provide a reasonably accurate guide to the value of your home.

Or you can engage the services of a professional property valuer. They are the only people legally qualified to value your home.

How much is your house worth?

Buyers are better informed about the value of your home than you are and even the local agent.

This is a big statement but let's think carefully. Buyers have a budget and are actively looking at as many homes in their budget range as possible.

On the other hand, the agent could be managing homes in 3 of 4 different price ranges. You, as well, are not actively inspecting homes in your homes price range. Sure, you are doing your online research, but these buyers are out there constantly reviewing and researching.

This message is clear if you get an early offer, be proactive and consider it carefully.

Most, if not all, buyers will start low. This is the nature of the process. Work with it. Send them packing if you are using an agent and strongly encourage you to accept the first offer. Buyers always have more to give.

The following are the top tips from an expert negotiator. <https://www.masterclass.com/articles/tips-for-negotiating-better#5-tips-for-negotiating-better>

- Don't be afraid to ask for what you want. ...

- Shut up and listen. ...
- Do your homework. ...
- Always be willing to walk away. ...
- Don't be in a hurry. ...
- Aim high and expect the best outcome. ...
- Focus on the other side's pressure, not yours.

However, if you have been on the market for a while and this is the first offer, it is definitely time to consider the offer seriously. First, carefully weigh up the offer against all factors you know to be true and the factors impacting you the most. This will work, including lifestyle and financial factors.

You may find some negotiating power with the terms of the offer from the preferred settlement date, no finance clauses, building inspections etc., that could help with the final agreed sale price. Successful negotiating is achievable when you have a clear idea of what you need to achieve. There's the old saying, " a win-win for everyone."

Next Address suggests using an 'Offer to Purchase' document to assist with the negotiating process. Consider all the above factors and how they marry to make this a successful transaction that works for you.

Have a clear idea!

With all this in mind, it is important to consider the value of getting your home sold. And this is not just about price. It's also about how it affects your lifestyle, how quickly you want to move on, and what changing circumstances have to be factored in? For example, you may have the luxury of time to wait for just the right price.....or you may have already bought and had some urgency around selling up and moving on.

So setting your reserve price and understanding the value of moving is not always just about the price you put on your property.

It's not always just about the price.

Our advice? Please do your research, read our blog posts on valuations and ask loads of questions. Ask friends, neighbours and colleagues about their experiences with the real estate process and achieving a fair price. And if you need some help.... ask us....we can point you in the right direction.

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<https://nextaddress.com.au/blog/should-i-accept-the-first-offer-made-on-my-home>