

SELLERS: DECIDING BETWEEN MULTIPLE OFFERS



When you receive more than one offer on your home, how do you decide between them? While it might be tempting to accept the offer with the highest monetary value, it is essential to assess each of the offers based on its own merits.

At first glance, it would seem that the offer with the highest rand figure would be a natural choice. However, it is best to read through each of the offers carefully, paying specific attention to the clauses in each. In cases such as

this, it is beneficial to work with a trusted real estate agent who can assist you through the process of selecting the right offer to purchase. An agent's role is to act in the best interest of the seller and ensure that the best possible result is reached during the property transaction. While the highest value offer is the ultimate goal, other elements that will have an impact on the transaction and should be considered before making a final decision.

When considering each of the offers, there are some aspects you should pay particular attention to as they will help in the decision-making process:

Offer is subject to conditions

The majority of offers that you will receive will be subject to certain conditions transpiring first, such as the sale of the buyer's previous home. While it is not very common to find an offer that is void of conditions, keep in mind that your home will be off the market while the terms and conditions of the offer are waiting to be met.

Does the buyer have a deposit?

Banks will require most buyers to have a deposit of between 10% and 30% of the purchase price of the home to be approved for finance. A deposit will greatly increase a buyer's chances of bond approval. A deposit is an excellent indication that the buyer is in a financial position to purchase a home and are serious about the offer.

Consider the financing

Simply put – cash is king. A cash buyer will not be reliant on the bank for bond approval before they can go ahead with the purchase. Cash makes the transaction far less complicated, so less can go wrong. It is also important to remember that a bank is far more willing to grant finance to a buyer that requires less than 80% of the purchase price of the property.

Although it is normally not an issue, it is advisable to be cautious of buyers that require third parties to sign a surety on their behalf. You should also look at whether the buyer can provide proof from the bank that the funds are available to back up the offer.

Date of occupation

Note the date of occupation on each of the offers. Ideally, the occupational date should coincide with the transfer date if possible - this will ensure that unnecessary stress and complications are kept to a minimum if the deal falls through. If the offer contains any suspensive conditions, do not allow occupation of the home until these conditions are met, and all documentation is signed by both you and the buyer at the conveyance attorney. You can counter the occupation date if the best offer on the table doesn't quite meet your timeline.

Once you have considered all other factors and are content to move forward, consider the value of the offer. In some cases, a lower offer might be the right offer depending on the conditions presented. Select the offer that best fits your needs.