It’s your move: 5 tips for placing a counter offer

When buyers find the home they’ve been looking for, they excitedly place an offer. However, sellers can always counter, and then negotiations start — the buyers are hoping to lock down their dream house, and the sellers want top dollar for their home.

Counter offers can go back and forth from the buyer’s side to the seller’s side; there’s no particular limit. Here are five tips to help you place a counter offer effectively on either side of the negotiation.

Ask for something in return

Typically, transactions in a home sale should be give-and-take. Sellers set a specific price.

Let’s say that buyers inspect the house and see that the appliances aren’t included with the listing. They might ask for the appliances in the counter with a slightly higher offer.

Each side has a list of wants and concessions that they’re willing to give, and finding the middle ground is what makes for a successful transaction.

So if there’s something your clients want, it doesn’t hurt to ask for it. The worst the opposing side can do is say no.

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Think logically

Although you may want to aim high, it’s important to take in the other parties’ point of view.

How long has the home been on the market? What year was the home built? Are there repairs that need to be done?

Set your expectations, and a reasonable counter offer.

Give incentives

During the counter offer, remember that you have to be willing to give if you want to get something. Thus, incentives in different forms will likely help.

Sellers can easily capitalize on the fact that most buyers will need extra cash after the big purchase.

If you are on the seller side, offer buyers incentives such as paying for homeowners’ association fees. Some other incentives sellers can give are gym or pool memberships, repainting, a year’s free of lawn services and a lot more.

There are so many incentives you can offer. Just to be creative yet respectful in putting up your incentive offers.

Know when to split the difference

It’s part of the negotiation process. Effective negotiation is an art that leads to closed deals.

Offers can range from low ball to high end in price. When a small amount of money appears to be the gap, you can typically split the difference.

For instance, if your offer is $535,000 and your buyer wants it $530,000, split the $5,000 difference at $532,5000. Meet halfway on the price and both sides win.

Learn when to decline

If you're tired of negotiating or the buyer is being unreasonable, politely decline the offer. This will usually pressure the other party into returning to the playing field with a better price.

If nothing else, the other side will usually offer a little insight on why the offer isn't working.

Simple tips like these can save a lot of headaches. Remember to hit the ground running, and keep your offers reasonable, but don't be afraid to set the bar high.

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