

Be a Shrewd Home Seller, Try a Full-Price Counteroffer

Sell | By: Michele Lerner |



If you have received an offer on your home, congratulations are in order. More than likely, you have taken the steps to get your house in good condition for sale and worked with a REALTOR® to price it appropriately for the market.

Once you have an [offer](#) (or more than one) in hand, it's time to start the negotiation process by responding to the buyers.

You have three options for responding to an offer for your home:

Accept the offer: If you are happy with every detail of the buyers' offer, you can accept it and schedule a settlement date.

Reject the offer: If you are unhappy with everything about the buyers' offer, including the price and the contingencies, you can reject it outright. The buyers may come back with another offer if they're interested in pursuing the property.

Make a counteroffer: You can open negotiations with buyers by responding to their offer with an offer of your own that changes the price or other details of their contract.

Evaluate Each Offer

If you and your REALTOR® have carefully evaluated your local market conditions and compared similar homes to yours, you may feel that buyers should respect your efforts and offer you the price you listed. However, even in a seller's market the average list-to-sales price is closer to 97% or 98%, not 100%. Even so, this does not mean you necessarily need to reduce your sales price if you receive a less-than-full-price offer.

If you are in a seller's market and receive multiple offers, you are more likely to have at least one of those offers at full price; but it's important to base your next move on a variety of factors, not just price. Make sure that each offer you receive is backed with cash or solid proof of financing from a reputable lender. Check each offer for contingencies to see if they're acceptable. Some buyers may ask you to agree to make repairs after a home inspection, to buy down their mortgage by paying a point or two, to convey furniture or other items, or to contribute to their closing costs.

Full Price Counteroffer

You can counter the buyers' offer with a full-price counteroffer of your own and see how the buyers respond. Many buyers are prepared to pay full price but think they should open negotiations with a lower offer.

Keep in mind your market conditions and how long your home has been listed for sale. If you are in a buyers' market, you may need to accept a lower price for your home. If your home has been on the market for a short time, you can probably safely counter with your original price; but if your home has been on the market for 90 days or more, then you should consult with your REALTOR® and consider accepting an offer that is less than full price. Your REALTOR® can tell you the average time that homes are listed for sale and the average list-price-to-sales-price ratios for your area.

If price is the most important aspect of the sale to you, consider a counteroffer at full price but perhaps offering other concessions such as your willingness to convey specific items with the house or your flexibility on the closing date.

Your counteroffer opens up the option for further negotiations with prospective buyers, but it's important to keep market conditions in mind so you don't lose a potential sale.