

COMPETITIVE OFFER STRATEGIES

MAKE YOUR OFFER STANDOUT ABOVE THE REST!

GOAL: Your goal when writing an offer is to demonstrate that you are a reasonable buyer who is capable and motivated to close on time.

Financing

- Earnest Money (typically 1%).**
Consider a higher amount and/or make the earnest money non-refundable if you decide not to go through with the transaction (regardless of the reason).
- Have pre-approval ready.**
- Use an escalation clause (Addendum AC).**
This allows you to offer more than the next highest offer in specified dollar increments up to a specified cap. Make the increments more than \$1,000, since it is the most common increment used. Less than \$1,000 is not competitive enough.
- Remove the appraisal contingency.**
- Cash is King!**
- If financed, a larger down-payment looks better.**
- Ask your lender to call the listing agent to verify your financial strength.**

Closing/Occupancy

- Find out the Seller's preferred date for closing.**
- Offer post closing occupancy for Seller (Addendum O).**
- Let the Seller pick a closing date.**
- If you allow the Seller an occupancy period after closing, you could offer to let them pick the time frame.**

General Strategies

- Write a "love letter" to the seller.**
(No pictures!)
- Offer a higher amount if the Seller accepts your offer within a short time frame.**
- The less contingencies you have, the more competitive the offer.**

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Inspections/Testing

- Give the seller the right to cure.**
- Agree not to ask for any repairs up to a certain dollar amount.**
Example: "Buyer will not serve notice of defect unless total estimate for any repairs necessary as a result of the inspection exceeds \$_____."
- Shorten inspection time.**
- Eliminate the testing contingency.**
- Waive the inspection contingency.**
Note: While this will make the offer more competitive, your agent does not advise it. The following language will need to be in writing: "Buyer elects to waive home inspection contingency (lines 194-229) against agent's advise."

Must Have Cash on Hand

- Buyer paying seller a signing bonus.**
Buyer can entice the seller to accept buyers offer by buyer paying money up front to seller. (Buyer will deliver to seller a non-refundable signing bonus of \$XXX within 1 day of acceptance. If seller fails to perform any obligation under this contract resulting in the property not closing, the seller is to deliver the signing bonus back to the buyer in a timely manner, but no later than the scheduled closing date.)
- Offer to pay a specific amount towards the Seller's closing costs.**
- Offer to purchase a HSA home warranty with Seller Coverage.**
The Seller can use it for their inspection. The warranty will be transferred to you at closing.
- Offer to make up the difference in appraisal if it comes in low.**
- Pay the Seller's commission costs rather than increasing price.**
(This may help the Seller avoid potential issues with appraisal.)
- Remove the tax proration from the offer.**
- Offer to pay the state transfer fee, the title work and the gap insurance.**
(This may help the Seller avoid potential issues with appraisal.)
- Upon successful closing, allow the earnest money to be transferred to the Seller.**
(This could help skirt an appraisal issue.)