

Property sellers: deciding between multiple offers

When sellers get multiple offers on their properties, it might be tempting to accept the offers with the highest monetary value.

However, it is essential that they assess each offer on its own merits, says Adrian Goslett of RE/MAX.

"At first glance it would seem that the offer with the highest rand figure would be the natural choice, however the seller should read through each of the offers carefully, paying specific attention to the clauses in each," says Goslett.

There are a number of aspects they should pay particular attention to:

Offer is subject to conditions

The majority of offers that a seller 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 totally void of conditions, the seller will need to keep in mind that their 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?

Generally 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 are able to go ahead with the purchase. This 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 generally not an issue, it is advisable to be cautious of buyers that require third parties to sign a surety on their behalf. The seller 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 as much as possible. This will ensure that unnecessary stress and complications are kept to a minimum in the event that the deal falls through.

If the offer contains any suspensive conditions, the sellers should not allow occupation of the home until these conditions are met and all documentation has been signed by both the buyer and seller at the conveyance attorney. The seller can counter the occupation date, if the best offer on the table doesn't quite meet their timeline.

"Once a seller has considered all other factors and are content to move forward, they should then consider the value of the offer. In some cases, a lower offer might be the right offer depending on the conditions presented. The seller needs to select an offer that best fits their needs," Goslett concludes.

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