

How Listing Agents Handle Bidding Wars: The Good, the Bad and the Ugly

I have written in the past about how we handle multiple offers and bidding wars on our listings using an auction style, which we feel is best for our sellers and most fair to buyers and their agents.

Regrettably, very few listing agents handle multiple offers and bidding wars the way we do. Most are sticking with the "highest and best" approach, in which buyers submit an above-listing-price offer without knowing what other buyers are offering.

Usually agents maintain that their sellers won't let them reveal the competing offers, but I find that hard to believe. Have they even had an honest discussion with their sellers about that? I have that discussion with every seller who hires me and invariably they agree that full transparency about offers in hand is not only going to net them the highest price for their home but is also fairest to the buyers.

REAL ESTATE TODAY



By **JIM SMITH**, Realtor®

I have written in the past that 4 days on the MLS before going under contract is the "sweet spot" when it comes to netting the best price for sellers, and I have supported that opinion statistically.

However, recently we have modified our policy because of more buyers submitting early offers which are too good to pass up. Do we keep our word not to sell before the 4th day, or take the offer?

Rule #1 is that the seller makes that decision, not us. If the seller wants to accept a particularly sweet offer on day one or day two, we ask for 24 hours' lead time so that we can notify all other agents who have set showings that our timeline has changed. "We have this great offer, and the seller wants to accept it." That gives those agents time to accelerate their timeline and compete (or not) with that particularly sweet offer.

Regardless of how an agent handles multiple offers, profes-

sional courtesy demands that they communicate with other agents and not just ignore the competing offers. Just call us and say, "My seller has decided to go with a better offer." Give us a chance to recalibrate and resubmit. That's best for your seller (to whom you owe "utmost good faith and fidelity"), and it's only fair to the other bidders.

Sometime soon these bidding wars will subside, and we'll go back to having a "balanced" market. I'd settle, frankly, for a seller's market that is not crazy wild!

We are still seeing way too many homes that are selling with zero days on the market, often because the listing agent convinced the seller to accept a contract obtained by the listing agent, thereby allowing the listing agent to keep his or her entire commission instead of sharing it with a buyer's agent.

The Colorado Real Estate Commission frowns upon this practice and has issued guidance that every listing agent should advise their sellers that they may be leaving money on the table (that is, getting less than they might for their home) if they don't allow the home to be on the MLS for at least a few days so that all interested

buyers have a chance to see it and make an offer.

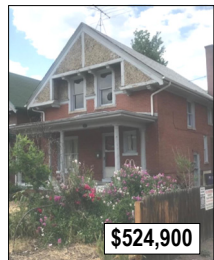
Along that vein, the National Association of Realtors last November adopted a "Clear Cooperation Policy," making it a violation to have "pocket listings" not on the MLS so agents can see and show it. On our MLS that carries a \$1,500 fine.

Green Home of the Month



Each month we feature a different home from the 2020 Metro Denver Green Homes Tour. With 11 kW of solar panels, super-insulation, induction cooktops and ground-source heat pumps powering eight hydronic mini-splits throughout this 4-level, multi-generational home, the owners have a monthly Xcel Energy bill of \$5 to \$10 per month — even after charging their electric car. I learned a lot from this home! You'll really like the sustainable design elements of the kitchen. Watch my narrated video tour at www.GreenHomeoftheMonth.com.

A Central Denver Fixer-Upper with Garage



\$524,900

There's great potential in this 1906 fixer-upper at 109 E. 4th Avenue, south of Spear Blvd. and east of Lincoln Street. The home needs windows and rehab throughout, but you could end up with a great home. There are hardwood floors, of course, although they need refinishing. The 2-car detached garage on the alley is also in bad need of repair. We won't be holding an open house, so call your agent or listing agent **Jim Swanson** at 303-929-2727 for an in-person showing. And call him before submitting an offer so he can tell you about offers in hand. As is our policy, we'll wait for all offers to be in, and let everyone know where they stand, so they can resubmit. The only way you'll lose out is if you drop out.

2-BR Home in a Denver Co-housing Community

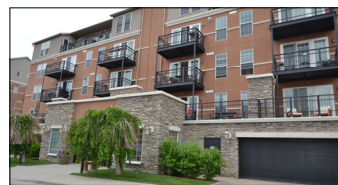
Hearthstone is a special co-housing community built on the former grounds of Elitch's park in northwest Denver. All units, including this one at 4730 W. 37th Ave., face an interior courtyard and a select few, including this unit, have a detached 1-car garage. Seller will favor a buyer who demonstrates a commitment to the co-housing concept and is willing to meet with one or more co-housers to discuss life there. Visit the community's website (www.HearthstoneCohousing.com) before requesting a showing to make sure it's right for you and you're right for it. When touring this home, don't overlook the common house, which has a fitness room, woodworking shop, guest bedroom and bathroom, TV room, fireplace room and large common room with kitchen for the monthly community meetings and twice-weekly community meals. Take a video tour at www.HearthstoneCohousing.info. I'll hold it open this Sat., 11-1.



\$520,000

2-Bedroom Golden Condo Faces Clear Creek

Downtown Golden condos that face Clear Creek like this one at 640 11th Street #106 are highly sought after, selling for up to 50% more than the ones facing the parking lot. And this is a non-smoking building. You shouldn't smell cigarette (or other) smoke anywhere on the property, including on your patio overlooking the pedestrian path along Clear Creek. This condo is being sold fully furnished. The master bathroom is connected by a pocket door to a half-bath serving the non-conforming 2nd bedroom which has no closet or windows other than the French doors which open to the foyer and kitchen. Take a narrated video tour, inside and out, online at www.MillstoneCondo.info, then call for a private showing.



Every element of this ad is also posted at GoldenREblog.com

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