

REAL ESTATE

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THE REAL DEAL

Real Estate News You Can Use

BY EVI COGLAN



Lying in Wait

There's a new breed of buyers lurking in the shadows in Westport and Weston. Many in my business have met them. I call these buyers "house stalkers."

House stalkers are ready, able, but not necessarily willing buyers who are fearful that the current market will worsen. They range from simply being concerned they will pay too much – all the way to outright looking to steal something out from under a vulnerable seller. But mostly, stalkers are looking for validation of what a particular house is worth.

Most of these buyers have a specific target in mind – usually a house that's been on the market awhile. They may have done extensive research on that property at town hall, or even paid an architect or builder to evaluate it. They are clearly interested. They are qualified. But they don't make an offer.

That is, until someone else does. And this often creates an unfortunate situation for all concerned.

Last week I had a close encounter with a house stalker. I represented a buyer who, after much looking, selected a house in a great location that had sat on the market for many months. We were given assurance that the property was fully available. Committed to the transaction, my client submitted a very earnest initial offer at 95% of asking price, with hardly any contingencies and a closing date at the seller's convenience.

This should have been a slam dunk. Instead, it prompted a house stalker – someone who would not have acted except for my client's interest – to come forward. A bidding war ensued. Things got emotional. Commitments were not

kept. Suffice it to say that my client did not win, despite his willingness to pay more than the other party for the house. In the end, victory came down to a three-hour time difference regarding when the parties were able to sign a contract.

Although no laws were violated, and sellers do have the right to choose a buyer based on the criteria that are most important to them, this was just not right. The buyer who came forward in good faith was used. The house stalker who laid in wait was rewarded.

In the current real estate market which has so many potential buyers worried about paying too much, house stalkers are becoming a fact of life. That's one reason why there have lately been so many bidding wars – which are, at least theoretically, uncanny in what everyone agrees is a buyer's market. Actually, in our desire to bring about the highest possible sale price for our seller clients, many listing agents contribute to this situation by agreeing to let buyer agents know when they are expecting an offer to come in – thus alerting the stalkers that it's time to act.

So...what does this mean for you?

If you're a buyer, it's important to understand, in advance, that you could find yourself up against a house stalker. Your best strategy, therefore, is to come forward with an offer that the seller will recognize as fair and earnest. You also have the option of dropping out of a competitive negotiation if your offer attracts a stalker. It's amazing how often they go away once you do. This should get the seller's attention, and make them willing to deal with you one-on-one should you decide to re-initiate negotiation.

If you're a seller, I urge you to reward the party who stepped up to the plate by giving them the nod in negotiations. If all else is equal, the earnest first party should be given the opportunity to make

the deal – to match anything that the stalker offers. You can always make the deal with the stalker if the first buyer is unable or unwilling to do so.

If you're a listing agent, I believe it's important to counsel your seller to do the right thing – and not default to the easy out of claiming "What could I do? That's how my client wanted to handle it."

Resist being part of a situation where an earnest and unsuspecting buyer is used to make a deal with a stalker. Real estate agents have a negative enough reputation in the public's eye without members of our own profession making it worse.

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