

After mustering the emotional energy to make an offer on a listing, it can be devastating if you hear nothing back from the seller.

In most cases, if the offer isn't what the sellers are looking for, they will issue a counteroffer detailing the price and terms they can live with. When a seller doesn't respond at all to your offer, it's usually because the offer is so low that the seller thinks it's a waste of everyone's time.

Ask your agent to talk to the listing agent to find out why the seller didn't counter your offer. Then, make another offer if you think the house warrants a higher price. If the sellers want too much for their house, take a breather. Let the listing sit on the market awhile before you make another offer.

The risk of this approach is that another buyer could come into the picture who is willing to pay the sellers' price. Nothing is lost if you wouldn't have paid that price.

Your agent should keep in touch with the listing agent during your wait-and-see period. Ideally, you'd like to know if the sellers are going to reduce the price before it shows up on the multiple listing service. A price reduction to market value could elicit interest from multiple buyers.

Risk-averse sellers can be skittish about working with buyers who have a low cash downpayment. It's wise to include a mortgage preapproval letter with your offer. Also, some sellers aren't in a position to accept an offer that's contingent on the sale of the buyers' home.

Another reason buyers don't receive counteroffers is because there were multiple offers. The sellers can accept only one offer in primary position. If there were five offers and yours was the lowest, you're not likely to receive a counteroffer.

Multiple offers are occurring in low-inventory, high-demand markets. Buyers were out early this year due to lower home prices, low interest rates and homebuyer tax credits.

HOUSE HUNTING: A typical reaction from buyers who lose in a multiple-offer competition is that they would have paid more. When you're competing against other buyers, you need to make your first offer your best offer. This seems counterintuitive because you run the risk of paying more than you might need to.

One way to ensure that you don't pay too much is to include an appraisal contingency in your purchase offer. Generally, an appraisal contingency allows the buyers to withdraw from the contract if the house doesn't appraise for the purchase price. In today's wary lending environment, lenders are requiring appraisers to be conservative on appraisals, particularly in declining markets.

Be aware that some buyers in a competitive situation will not include an appraisal contingency in their contract. If they have a large enough cash downpayment and the appraisal value is less than the contract price, the lender may still approve a loan amount that will enable the buyer to proceed with the sale.

THE CLOSING: Buyers who want a house badly enough will often pay more than the appraised value if they have enough cash to make up the shortfall.

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