

Market Update

Welcome to another edition of my monthly real estate newsletter, where I bring you the latest updates and insights from the dynamic world of real estate in Salmon, ID. This month, I want to take a little bit of time to discuss a real estate contract document called a “Seller’s Right to Continue to Market” (SRCM), more commonly known as a “bump clause”, which is spiking in use recently.

This contract provision is becoming increasingly more common and can impact the negotiation process and outcomes in real estate transactions. In Lemhi County, 27% of the residential homes currently under contract have a SRMC in place.

Understanding SRCM

The Seller’s Right to Continue to Market clause allows the seller to keep marketing their property even after they have accepted an offer, up until certain contingencies are met. Most commonly, the contingency includes the buyer selling their current home, but can also include other contingencies such as the buyer securing financing and/or completing inspections. If a better offer comes along during

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this period, the seller can potentially accept the new offer, provided they give the original buyer a chance to waive their contingencies.

Why is SRCM Becoming More Popular?

Several factors are contributing to the rise in popularity of the SRCM clause:

1. ****Market Conditions****: In a seller's market, where demand outstrips supply, sellers have the upper hand. They can afford to keep their options open to ensure they get the best possible deal. The SRCM clause is particularly advantageous in such scenarios, as it maximizes the seller's leverage.

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Last 30 Days

44 New Listings

15 Properties Sold

32 Properties Under Contract

269 Average Days on Market

Sales Price = 84% of List Price

\$671,250= Average Price of Residential Home Listings

Interest Rates

(as of 6/5/2024)

Conventional: 6.99%

FHA: 6.49%

VA: 6.49%

RD: 6.25%

LOCAL MARKET NEWS

2. ****Buyer Contingencies****: Buyers often include contingencies in their offers to protect themselves. While these contingencies are reasonable, they can delay the closing process. The SRCM clause provides sellers with an insurance policy against such delays, allowing them to continue seeking potential buyers who may offer a smoother or more lucrative transaction.

3. ****Competitive Bidding****: With multiple offers on the table, sellers can use the SRCM clause to encourage competitive bidding. Knowing that the seller can continue to market the property incentivizes buyers to present stronger, more compelling offers upfront.

4. ****Flexibility****: The SRCM clause offers flexibility in a market that can be unpredictable. It allows sellers to hedge against the uncertainty of a deal falling through, ensuring that their property remains actively marketed and visible to new prospects.

Impact on Buyers and Sellers

****For Sellers****: The primary benefit is the ability to secure the best possible deal without being locked into the first offer that comes along. This clause can provide a significant strategic advantage, particularly in a hot market.

****For Buyers****: The SRCM clause can introduce an element of uncertainty. Buyers must be prepared to act quickly and decisively, knowing that their offer is not the only one the seller is considering. This can add pressure, but it can also motivate buyers to put forth their most attractive offers and expedite their due diligence processes.

Navigating the SRCM Clause

Both buyers and sellers should work closely with their real estate agents to understand the implications of the SRCM clause. Clear communication and strategic planning are essential:

- ****Sellers**** should ensure they fully understand the terms and conditions under which they can continue to market their property and potentially accept new offers.

- ****Buyers**** should be aware of the conditions they need to meet to make their offer as appealing as possible and consider ways to minimize contingencies to strengthen their position.

Conclusion

The Seller's Right to Continue to Market is an increasingly utilized tool in today's local real estate market, reflecting the competitive nature of property transactions. For sellers, it provides a significant advantage, enabling them to keep their options open and maximize their potential returns. Buyers, on the other hand, must navigate the added complexity and potential pressure this clause introduces. As this trend continues to grow, understanding and effectively negotiating SRCM clauses will become an essential skill for all parties involved in real estate transactions.

Whether you are buying or selling, staying informed about the latest trends and strategies in the market is crucial. The SRCM clause is just one example of how the landscape of real estate is evolving, offering new opportunities and challenges.

JUST LISTED

TBD LARK AVENUE SALMON, ID 83467

5.4 ACRES | \$99,000 | MLS# 2165862



NIKKI SCHULER

208-756-7548

WWW.SELLINGSALMONIDAHO.COM

Looking to build your dream home? This sloping 5.4 acre Kirtley Creek Subdivision lot basks in sunshine and boasts panoramic views of the Salmon River Valley. Located in a quiet neighborhood, this property has all day sunshine with southwest exposure and from this vantage point, you'll be able to watch the sun rise and set over the surrounding mountains. Come discover this area of natural beauty and abundant wildlife just minutes from downtown Salmon. From here, you'll have close access to all of your recreational adventures: hunting, hiking, fishing, rafting and so much more! Buyer will need to install their own well, septic and driveway access.

MOUNTAIN WEST REAL ESTATE, INC

NEW LISTING!



HOME & ACREAGE

MLS# 2155312



3 BEDROOMS



1 SHOP & 3 OUTBUILDINGS



2 BATHROOMS

5.3 AC

LOCATION

118 S ST CHARLES RD
SALMON, ID 83467

LIST PRICE

\$460,000

LISTING PRESENTED BY:



NIKKI SCHULER

208-756-7548

208-756-1800

NIKKISCHULER@MTNWESTREALESTATE.COM

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“Wonderful, professional and extremely knowledgeable in all areas of real estate. Sold our home quickly for top dollar. Fantastic experience, we highly recommend Nikki Schuler as your agent.”



"Real estate is not just about property. It's about people, passion, and potential."

Nikki Schuler

208-756-7548

208-756-1800

nikkischuler@mtnwestrealestate.com

701 Main Street Salmon, ID 83467

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