

UNDERSTANDING MULTIPLE OFFERS & BIDDING WARS



Competing offer situations—commonly referred to as bidding wars—are currently common in many areas of the Country, often resulting in properties that sell for over list price.

Multiple Offers can be extremely stressful situations for everyone. Buyers feel pressure to compete for the home they want and Sellers may feel overwhelmed by the number of choices and uncertain how to decide. Conducting the process in an orderly fashion with clear instructions to all parties keeps everyone engaged and on a level playing field

FROM A SELLERS VIEW THERE ARE 4 THINGS EVERY SELLER WANTS

1. Highest Price Possible
2. Little (or No) Conditions
3. Deposit Cheque attached to offer (generally 2-5% of value of home)
4. The Sellers Ideal Closing Date

When it's a sellers market, there is a good chance the Seller will get all or most of these critical wants.

When working for our Seller. We strive at all times, regardless of market conditions, to negotiate as many of these as the market and individual parties will bear

Step By Step to Negotiating Multiple Offers

1. Discuss with the Seller at Listing time, all their options for looking at offers. ie: date, time, how & in what order
2. Document these Directions on OREA form # so all Buyers agents can be notified and given identical directions
3. Once the property is marketed and the day for offers approaches- all agents that have shown the property or have expressed interest are notified of:
 - a) total number of registered offers (undated as it changes)
 - b) the number of offers that are from Buyers working with the listing agent (multiple representation)
 - c) the number of offers with multiple representation from any co operating brokerage
 - d) the existence of any commission reductions

The Buyers are also notified in writing of any deposit requirements or special instructions and how and in what order the offers will be looked at, and also advised whether this is a best offer only or if negotiation is allowed.

The Buyer agent is NEVER told the contents, price or terms of any other offers.

If the Listing agent has offers from a Buyer, then these will be opened and looked at first to remove any conflict.

Once all offers have been presented to the Seller, they will be sorted into 3 sub folders. From Most promising to least promising.

The Seller may opt to:

1. accept the highest price or best terms at their discretion, with further opportunities for others.
2. Narrow down the top offers and send them each back for improvement while rejecting the rest
3. Send all offers back for improvement (this can happen more than once) the buyer may choose to not improve, while the existing offer still stands for consideration and acceptance within the irrevocable time allowed.
4. Choose to negotiate with only 1 Buyer.
5. Refuse to sell altogether.

Selling York Region "1 yard at a Time" for 34 Years



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