

## Multiple Offers



**By Brian Madigan LL.B.**

In Toronto's competitive marketplace, buyers have to expect that they may be in a multiple offer environment.

Basically, this means that their first offer will either be their best offer, or very close to it.

In order to elicit multiple offers agents will:

- 1) **delay** the presentation of **offers** for one week to allow everyone to view the property,
- 2) **underlist** the property (that is set a very low asking price), so that enthusiasm is created among purchasers,
- 3) obtain a home **inspection report** and make it available for review.

A buyer should have a pre-approved mortgage. There's no point putting in a condition such as financing, when there are five or six other bids. And, if you are not prepared to offer a high price, unconditionally and a short closing, then you will simply be sitting on the sidelines, waiting for the next property to come along.

The only real way to avoid this is to either obtain a pre-approval from the bank, secure some interim financing so that you will be covered if you have to carry two properties for a short period of time, or simply focus on an area where there are relatively few multiple offers.

As global warming heats up the summer, the summer market should somewhat cool down. This might minimize the number of multiple offers situations and normalize the market.

*Brian Madigan LL.B., Realtor is an author and commentator on real estate matters, Coldwell Banker Innovators Realty  
[www.OntarioRealEstateSource.com](http://www.OntarioRealEstateSource.com)*