

Dealing with Multiple Offers

When multiple offers to purchase a single property are received, the situation can become very complicated very quickly. There are a lot of moving parts which makes it especially important for the registrants involved in the multiple offer situation to conduct themselves professionally and in a manner that protects and promotes the interests of their client (or clients) while continuing to deal fairly with all parties to the transaction.

In a multiple offer situation, it is ultimately up to the seller to decide on the process to be followed.

When multiple offers to purchase a property are received, the listing agent must immediately advise the seller of the multiple offer situation and explain the seller's options moving forward. Providing the seller with information about the buyers' options and how the buyers may respond to a multiple offer situation would also be beneficial. It is up to the seller to decide whether or not to disclose the multiple offer situation to the buyers. The listing agent must follow the lawful instructions of the seller. All offers received with respect to a property must be presented to the seller.

When a registrant representing a buyer is advised that the buyer is in a multiple offer situation, the registrant must advise the buyer that there are multiple offers and provide information about the seller's options going forward. The registrant and buyer should discuss the buyer's options, including whether or not the buyer wants to withdraw the offer or reconsider the terms and conditions of the offer.

Representing both buyer and seller as a limited dual agent can be challenging at the best of times, let alone when the buyer is competing with other buyers in a multiple offer situation. Where the listing agent is also representing a buyer in a multiple offer situation, the registrant should carefully consider referring one of the parties to the broker or to another registrant.

Remember:

SREC Bylaws:

702 - A registrant shall protect and promote the interests of his or her client. This primary obligation does not relieve the registrant from the obligation of dealing fairly with all other parties to the transaction.

703 - A registrant shall not discourage parties to a transaction from seeking legal counsel.

710 - A registrant shall present all written offers in an objective and unbiased manner.