BUYER'S GUIDE

How to Set an Offer Price

A GTA buyer's guide to pricing offers with confidence

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INTRODUCTION

Setting the right offer price is part data, part strategy, and part reading the room. In the GTA, overpaying by $30,000 to $50,000 is easier to do than most buyers realise — and so is missing out on a home because you went in $10,000 low when you could have won. Here's how I help buyers approach this systematically.

Start with a Comparative Market Analysis (CMA)

A CMA is an analysis of recent comparable sales in the immediate area — homes that are similar in size, age, condition, and location, and that have sold within the past 60 to 90 days. This is not an appraisal, but it gives you a realistic range of what the market has been paying. Your agent should present you with this before you write any offer. If they don't, ask for it.

Understand the List-to-Sale Ratio

In most GTA markets, homes are either priced to sell at or near asking, priced low to attract multiple offers, or occasionally priced at or above market value to test the market. Knowing the list-to-sale ratio in that specific neighbourhood — how much over or under asking homes are selling — tells you whether the list price is a real number or just a starting point. This varies significantly by city, neighbourhood, and even by street.

Days on Market: What It's Telling You

A property that has been sitting for 30 or 40 days in a market where similar homes sell in 7 to 10 days is telling you something. It might be overpriced, have condition issues, or be poorly marketed. In any case, it gives you negotiating room. Conversely, a home that launched this week with an offer date three days from now is a completely different dynamic. Always check DOM before setting your offer strategy.

Multiple Offer Situations: How to Think About Escalation

In a registered offer situation with multiple buyers, there's no perfect formula — but there are smart principles. Know your absolute ceiling before you walk in: the number you'd pay and feel okay about losing at. Use your CMA to anchor your offer to actual value. In truly competitive situations, the difference between winning and losing is often small — sometimes $5,000 or $10,000. Escalation clauses can be useful in Ontario but must be structured carefully; ask your agent about the risks.

Conditions and Their Effect on Price

In Ontario, a conditional offer is generally weaker than a firm offer — but it protects you. In a competitive market, buyers sometimes go firm (no conditions) to win. If you do this, make sure you've done all your due diligence in advance: pre-inspections, thorough financial review, and a clear understanding of title. Going firm without preparation is a risk. Going firm with preparation can be a smart strategy.

The Deposit: How Much Is Standard?

In Ontario, the deposit is paid within 24 hours of an accepted offer and held in trust by the listing brokerage until closing. The typical deposit in the GTA is 5% of the purchase price, though in competitive situations, a larger deposit can signal commitment and strengthen your offer. The deposit counts toward your down payment — it is not an additional cost.

When to Walk Away

Knowing your ceiling matters — but so does respecting it. If the price required to win doesn't reflect what the home is actually worth, or if it puts you in a financially uncomfortable position, the right move is to walk. The GTA market is active and inventory turns over. There is always another home. The worst financial decisions in real estate are almost always made under pressure.

Ready to take the next step?

Let's talk about your situation. I work with buyers across the GTA and specialise in helping people make confident, informed decisions in this market.

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