



Real Estate Talk: Extensions to deadlines

Description

When should extensions to deadlines in a promise to purchase be granted?

By **Joseph Marovitch**

With a promise to purchase, there are usually conditions. The three main ones are a review of documents and expenses, inspection and financing. Documents are first because there is no cost. Second is the inspection, which costs around \$500 to \$800. Financing is the last one, as this condition can take the most time. It is usually preferable that conditions be quickly addressed.

Under certain conditions during the offer, the buyer may ask for an extension for the review of documents, or the inspection, or proof of finance. Some extension requests are reasonable, such as for the inspection if the inspector is not available due to sudden circumstances. A request to extend the signing date may be required if the notary is not available. An extension on the proof of finance may cause alarm bells.

When an extension is requested, the seller must examine the request to see what will be affected. Going from an accepted offer to signing is like playing a game of chess: There are many moving pieces that affect every other move. During the process of accepting or countering an offer, the seller cannot entertain other offers unless they are second-tier offers, meaning offers that are conditional upon a first offer failing.

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Every delay in an offer means an extended signing date. Until all conditions in an accepted offer are satisfied, the property should continue to be on the market. The problem is other offers are deterred because buyers usually do not want to make an offer or visit a property that has a conditionally accepted offer. Therefore, the conditions should be quickly resolved.



All conditions provide an out for the buyer, so it is preferable not to offer long delays for an accepted offer, only to find out the buyer changes his or her mind and is not buying after many opportunities to sell the property went by the wayside.

If an extension is requested, the questions are:

- Is the request reasonable?
- What are the chances the offer will fail?
- Will an extension jeopardize a sale to other parties?
- Will the delay cost money?
- Is the buyer tying up the property for nothing?

Many sellers will grant extensions without asking themselves these questions. They make the decision to grant extensions based on excitement and hope – the excitement of having an offer and the hope the offer will come to fruition.

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If the seller asks the right questions and makes an informed decision to grant an extension, then the sale may go through to signing. If the decision to grant an extension is an emotional one, the disappointment can be great when you realize so much time was wasted and the opportunity has passed if the sale does not go through.

Should you have questions or comments, please refer to the comments section at the bottom of the page. As well, to view past articles, go to the search link and type in **Joseph Marovitch**.

Have a great week!

Next article: **Why environmental tests should sometimes be a condition of a sale**

State of the market

Premier François Legault has recently stated that he is open to strengthening Bill 101, the law protecting the French language. His party, the CAQ, is attempting to close English school boards and is trying to pass a law that would not allow new immigrants to receive government services in English. The CAQ appears to have an agenda that is leading towards a separation issue again.

Economic and political stability brings investment to any province and Quebec has been attractive for national and foreign investments during the past several years. Interest rates remain low, our economy is strong and, up till now, our political status has been stable. These factors lead to prosperity and food on the table, so to speak, for everyone. These are the reasons property values have risen and continue to rise.

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Every few years the issue of separation and language comes to the surface, causing doubt in the economy. In my



opinion, most Quebecers want stability, prosperity and a growing economy. Therefore, when the issue of separation and language comes to the surface, investors should treat this as an opportunity.

The Premier will cause a bump in the economy if he and his party continue to attempt to remove anglo rights and this will cause properties to sell and prices to drop for a short period. It is during this period that investors should buy. When the wave of anti-English sentiment passes, real estate may experience a sharp increase as has always happened in the past.

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Joseph Marovitch has worked in the service industry for over 30 years. His first career was working with families from Westmount and surrounding areas, hosting children between the ages of 6 to 16 as the owner and director of Camp Maromac, a sports and arts sleep away summer camp established in 1968. Using the same strengths caring for the families, such as reliability, integrity, honesty and a deep sense of protecting the interests of those he is responsible to, Joseph applies this to his present real estate broker career. Should you have questions please feel free to contact Joseph Marovitch at 514 825-8771, or josephmarovitch@gmail.com



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