



► In the market to buy? Expect long lines at open houses as New Yorkers are faced with an inventory shortage.

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When bidding gets ‘absolutely insane’

► Brokers say bidding wars are now taking place in the majority of deals they see as the market heats up amid tight inventory

Bidding wars have been prevalent for some time. But lately, brokers say, multiple bids and “best and final” negotiations — in which all of the potential buyers simultaneously submit their final offer and the seller chooses between them — now take place in the majority of deals.

Howard Margolis, an executive vice president at Douglas Elliman, says the number of bidding wars he’s witnessed is “absolutely insane.” In one instance, three parties made offers on an apartment during a single open house, he says.

Other brokers share similar stories.

Bill Bone, a broker at Bond New York, says a buyer recently lost out on a condo in Williamsburg after “we had to compete with 45 other offers.”

Jonathan Miller, CEO of the appraisal firm Miller Samuel, says the uptick in bidding wars is “the byproduct of low invento-

On the market



One of Bone’s buyers recently beat out seven other bidders for a newly converted condo at 206 Montrose Ave. in Williamsburg. Although Bone declines to specify exactly how much the buyer paid for the unit, he says the price was around 10 percent above the \$400,000 asking price.

ry.” As we reported, the number of available Manhattan listings in the fourth quarter of 2012 dropped 34.2 percent to 4,749 from 7,221 in the same quarter of 2011, according to a Douglas Elliman market report.

Often, bidding wars re-

sult in buyers paying more than the asking price.

But it’s not clear that bidding wars alone increase home values, since some buyers react to bidding wars by looking for lower-priced homes.

“I guide my buyers to look at prices below their target, knowing full well that the final selling price will likely come up,” Bone says.

And it’s not always the highest bid that wins. With lending standards still tight, many sellers prefer to take all-cash offers.

“In many cases, the cash deal even trumps the higher bidder,” says Jessica Cohen, an Elliman broker.

David Kazemi, a broker at Bond, says some of his clients have been “utterly frustrated” by the competitive atmosphere. In fact, one client “removed himself from the market” after seeing a rotation of 30 people in 15 minutes at an open house, Kazemi says.

HAYLEY KAPLAN

