

Be prepared with RSP Offer to Purchase points

The purchase contract is the most important document in any real estate sale. It must reflect the entire agreement between the buyer and seller. It focuses on “offer” and “acceptance”: the process by which a buyer and seller create a binding legal contract. This process typically begins when a prospective buyer makes an offer. Then, the seller either accepts it, rejects it, or rejects it and makes a counteroffer. Then the buyer has the same options (i.e., accept, reject without making a counteroffer, or reject with a counteroffer). When one party accepts the other party’s offer or counteroffer, including communicating that acceptance to the offering party, a purchase contract is created.

Purchase Price - Purchase price is important but not the only negotiable part of an offer to purchase. We evaluate comparable properties in the area to help assure the purchase price listed by the seller is a close to fair market value. Appraisers will assign the true value to the home once we are under contract and the lender has ordered this for you.

Due Diligence - Due Diligence is a vital part of the home buying process. As a buyer, it is your opportunity to gather information about the property and surrounding area to help you make an informed decision about whether this is the right home for your needs. Since purchasing a home is a large investment for most buyers, it is wise to ask questions, review documents, and order inspections to reduce the risk of buying a home with serious and costly defects or with issues that could affect its value and desirability.

Due Diligence Period of time – A Due Diligence date is part of the offer to purchase, this date gives you the time to perform your inspections, appraisals, surveys, and anything pertinent to helping you make the decision to consummate the purchase.

Earnest Money - It is money you give to the seller (or the seller’s agent) to show your good faith when making an offer to purchase the seller’s property. The amount is negotiated between you and the seller. It is typically a small percentage of the purchase price and can vary depending upon local market conditions, the price of the property, the type of property (e.g. vacant land, existing housing, or new construction), whether cash advances to a builder or seller are involved, and other factors.

Closing Date - An acceptable closing date for the seller is vital when making an offer. Typical closing time periods are 30-45 days.

Seller Paid Closing costs - In some situations, you might want or need to ask the seller to help with your closing cost which is typically out of pocket money. There are different ways we can ask the seller to help out in this area depending on the market, and your needs.

*There are several other negotiation points on an offer as well including home warranties, personal property, additional provisions, addenda, and contingencies. Here at RSP we tailor every offer to your personal needs and what will suite best to assist you in making the offer that will win out every time!