

WRITING AN OFFER



WHAT MAKES A GOOD OFFER TO PURCHASE?

Once you decide on a home, your next step is to negotiate an Offer to Purchase. There is a sample of an Offer to Purchase on the next 7 pages.

Good offers are based on a realistic offering price. You should base your offering price on the prices of like houses (similar size, location and condition), which have sold within the past 6 months. I will be able to provide this data.

Good offers contain an earnest money deposit. This amount is negotiable between the buyer and the seller. These funds are held in an escrow account until closing. *The funds are then credited to your purchase.* For example; if you are purchasing a home for \$150,000 and you put down \$2000 in earnest money, the remaining balance at closing is \$148,000.

Good offers contain a Due Diligence Fee. This is also negotiable between the buyer and the seller. You are asking the seller to remove the house from the market for a negotiated period of time in which you, the buyer, will complete all inspections and secure financing.

Good offers include a copy of your pre-approval or pre-qualification letter from your lender. This will demonstrate to the seller that you are a serious buyer who is able to secure financing.

An Offer to Purchase must be in writing. Once I have submitted the written Offer to Purchase, there are several things that could happen:

1. The seller may agree to all terms as it is written and sign the Offer to Purchase.
2. The seller may counter your offer.
3. The seller may reject your offer.

Some of the items that may be negotiated are:

1. Purchase price
2. The amount of the Earnest Money Deposit or the Due Diligence Fee
3. The closing date
4. The length of the Due Diligence Period
5. Whether or not the seller will provide a home warranty
6. Personal property included in the sale (i.e. the refrigerator)