

The Process of Offers



Brace yourself. More often than not, unless you are in a Seller's Market or have accurately and sharply priced your home, you'll NOT receive a full price offer. Most Buyers have been conditioned to negotiate and most want to steal it if they can. After all, once you have sold your home, are you going to turn around and pay full price for another? Not likely. You'll probably be looking for a "bargain" too. Most Seller want the most they can get for their home, but want to pay the least they can possibly get away with for another. Selling retail and Buying wholesale is nice if you can get it, but not terribly realistic.

THE PROCESS

Your REALTOR® will call you when an offer has been written. It is usual to present the offer in an expeditious manner. If he/she has written the offer himself/herself, of course he/she will know the price and conditions contained therein. If another REALTOR® has written it, it is quite likely your REALTOR® will not know, nor is it protocol to ask, its contents until the other REALTOR® is at the presentation table with you. Each of the terms and conditions will be closely reviewed until such time as you are satisfied and understand their meaning. The REALTOR® representing the Buyer is usually present at the onset of the presentation, but may be asked to leave to enable you to have a private discussion with your own REALTOR®.

Always remember that you are under no obligation to accept the contract as is. You are at liberty to deal with it as you choose with your REALTOR® assisting you along the way. Generally, there are three avenues open to you.

1. Accept the offer as presented.

2. Counter the offer.

This is where you make changes to the offer which can involve price, dates, subjects, terms, etc. All changes must be initiated by both Sellers and Buyers before an offer can be said to be "accepted". The Buyer may elect not to accept the counter offer and instead put forth another proposal. This is called a "counter to the counter" offer. Again these changes must be initiated by both parties before there is an accepted offer. If these initials are not obtained then there is no binding Contract of Purchase and Sale. A copy of the signed and initialed contract will be given to both Sellers and Buyers.

3. Reject the offer entirely.

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SUBJECT CLAUSES

All subject clauses must be removed **"in writing"** on an "addendum" to the Contract of Purchase and Sale before your home is considered "sold". The Buyer signs this form with his/her REALTOR® who will then deliver or fax your REALTOR® this subject removal. Your REALTOR® will ensure that you receive a copy.

Subject clauses can be written for the benefit of either the Seller or the Buyer so it may be you, the Seller, that will be signing an addendum.

When an offer has a "subject to financing" clause, it is usual for the Lender (bank, trust company, etc.) to send an appraiser through to evaluate your home and property. However, this requirement could be waived at the discretion of the Lender.

Once your home is sold, all documents will be forwarded to the Buyer's lawyer from the office of the selling REALTOR®. Usually the lender who granted a mortgage to the Buyer will require a survey of your property and their lawyer will order one for them. A survey is not required for strata titled properties.

You must choose a lawyer as well to represent you and your interests. Your lawyer's conveyance secretary or assistant will call you well ahead of the closing to garner personal information from you. All documentation needed for registration will be forwarded from the Buyer's solicitor to yours.

When the paper work is in order, your legal council will call you into his/her office for signatures. This usually occurs a few days before completion day.

After all documents are signed by both Sellers and Buyers, the property will be registered on completion day at the Land Titles Office and all funds will be disbursed.

House keys will be obtained from you by your REALTOR® and disbursed to the selling REALTOR®. The selling REALTOR® will in turn, disburse them to the Buyer.

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REMEMBER:

1. Sometimes your best offer is your first offer. True. Much excitement is created when a new listing comes on the market. This is when the most showings will occur and when it is most likely an offer will be written. Once some time passes, the listing becomes stale and Buyers are less likely to make an offer and even if they do, it usually is much less than the asking price.
2. If a home sells quickly, it must be under priced. Not true. Remember that your REALTOR® gave you an evaluation of your property before the price was set. This was to enable you to be able to make an informed decision. If your home was priced sharply or the "right" Buyer was waiting for a home such as yours to come on the market, then a fast sale is to be expected.
3. Never reject a low offer without making a counter offer. True. Even though you want to throw the REALTOR® out the door along with their low-ball offer, please don't. Remember, he/she was told what price to write into the contract by Buyers that have obviously picked up some questionable advice along the way. First time Buyers are some of the worst offenders who think that the only wise way to barter to a fair price is to start very low. Some Buyers are being coached by their well-meaning parents who haven't bought a home in thirty years. By countering the offer instead of flatly rejecting it, you'll "keep the ball rolling" so to speak.
4. Don't accept an offer that is subject to the sale of the Buyer's house. False. Obviously, if it is a Seller's Market, entertaining the acceptance of this type of offer is probably not necessary. However, in a Buyer's Market, any offer that is "subject to the sale of" should be seriously taken into consideration as long as the Buyer is given a limited time period in which to sell his/her house and an escape clause is written into the contract to benefit the Seller should he/she receive another acceptable offer.
5. The highest offer is the best offer. False. Sometimes the terms and conditions contained in an offer will offset any advantages gained by a high price. It may be that the lower priced offer is the better deal.

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