

Making the Right Offer

The "Right Offer" is the offer that gets the deal completed to the satisfaction of both the seller and the buyer. How long the home has been on the market, physical condition of the property, price in relation to other homes in the area and other factors will all play a part in determining the correct offering price, however, an offer within 3% of the asking price is usually considered reasonable.

There are other factors the seller will consider when reviewing an offer aside from the offering price. The purchaser's willingness to accept minor defects in the property, ability to close fast or delay closing to meet seller's needs and other non price related items are all part of the offer. If you entered an agency agreement with a Realtor, this is an area where their services can be most valuable. Your agent can talk to the sellers and seller's agent to find out the motivating factors needed to complete the sale and give you the information you need to make the "Right Offer".

Beware of putting contingencies in your purchase agreement. They weaken your offer and could take you out of the running. However, your offer may have to be contingent on you selling your house or a home inspection if you are uncertain about the structural integrity of the home. These contingencies should definitely be included in the offer to purchase contract, however, the sooner the contingencies are satisfied or removed from the contract the better chance the deal has of being completed.

Earnest Money is something the purchaser is asked to deposit with the listing broker to show they are serious about the offer and their intention to purchase. The amount of earnest money is completely negotiable but usually runs between 5% and 10% of the purchase price. The earnest money is typically applied to the purchase price at the closing but may be forfeited to the seller or listing broker as liquidated damages should the purchaser fail to meet the terms of the contract.