

section

06 Making an Offer

When you've found a home that you're interested in, it's time to make an offer. As your buyer agent, I will draw up a contract with your offering price and necessary contingencies into a formal contract.

You will want to review this document carefully and make sure it states your terms exactly. If the offer is accepted by a seller, this contract will become a legally binding agreement.

In addition to an offer contract, you will need to provide *earnest money* as well as a letter from your lender indicating your qualification to purchase.

Earnest Money typically equals between *1% to 3% of the property purchase price*. You will not be at risk of losing your earnest money as long as you do not default on your contract. The amount will be credited towards the purchase price of the house at closing.

After you've made your offer, the Seller will be able to:

1. Accept your offer
2. Reject your offer
3. Execute a counter offer

In most cases, a seller will not accept your initial offer outright. Typical counter offers include modifications to:

- Purchase price
- Closing date
- Possession date
- Inclusions

When you make an offer on a house, you should be prepared for the negotiations to go back and forth several times before both parties agree to the terms. You might also have to compete with other interested buyers in certain market conditions.

When an agreement is reached on all issues, and both the seller and you as the buyer have signed the offer, you are both under a legally binding contract.

things to keep in mind

As a buyer, you will be in a better negotiating position if:

- You have been pre-approved for a mortgage
- You are not selling a house at the same time
- You have not loaded your offer with other contingencies