

Reviewing An Offer To Purchase

There's a lot more to an offer to purchase than merely the price a buyer is willing to pay. Obviously price will play an important part in your decision to accept an offer, but there are several other factors that must be weighed very carefully in your decision-making process - for example, a suitable closing date, financing, conditions and items which are to be included in the sale.

Closing Date

One of the most important things to consider is the closing date. Is it going to involve extra cost to you to have to move on that particular date? Are you going to have to store your furniture because of a short closing or face the prospect of carrying two properties for a couple of extra months because of an unusually long closing?

Financing

Financing also has a great impact on the offer. For example, if you have to discharge existing debts and mortgages against the property, be sure to verify whether you'll have to pay early discharge fees. If so, this will undoubtedly have an impact on your decision. In the offer, the buyer may also request that you take back a mortgage, and your decision will largely depend on your lifestyle. For instance, if you're a retiree and you're trading down to something smaller, you may want to take back a mortgage and have income coming in. On the other hand, if you're trading up, you may not be interested in taking this route, because you'll probably need the funds for a bigger down payment.

Conditions

You'll have to weigh conditions carefully against the price that is being offered. You may not want to tie yourself to an offer that's conditional on a purchaser selling his/her own property, because, in the meantime, you could have two or three more offers without any conditions. Conditions on financing are generally quite short and, as a vendor, you will want to know if the buyers will be able to get the necessary financing before you accept an offer from them. You may be better off with an offer that's slightly less in price but has less restrictive conditions.

Items included in the Sale

Buyers may want to include certain chattels in the sale of your home - like the crystal chandelier in the dining room or the custom-made bookcase in the living room - that you may not wish to part with. You'll have to decide how important they really are to you and what they're really worth before making your decision. If you do have items you don't want included in the sale of your home, it's best to remove them from sight before you actually put your home on the market.

How a REALTOR helps

Your REALTOR will review all offers with you and help you to view them objectively. Be prepared to allot an adequate amount of time for this task. Once the offer is submitted, the ball is in your court and you must decide whether you wish to decline it altogether or make a counter

offer. And, of course, your REALTOR will be happy to provide helpful advice if you have any particular concerns or questions. In addition, it is always advisable to seek legal counsel on such an important matter: better safe than sorry.

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