

Buyer's Guide To:

Making an Offer

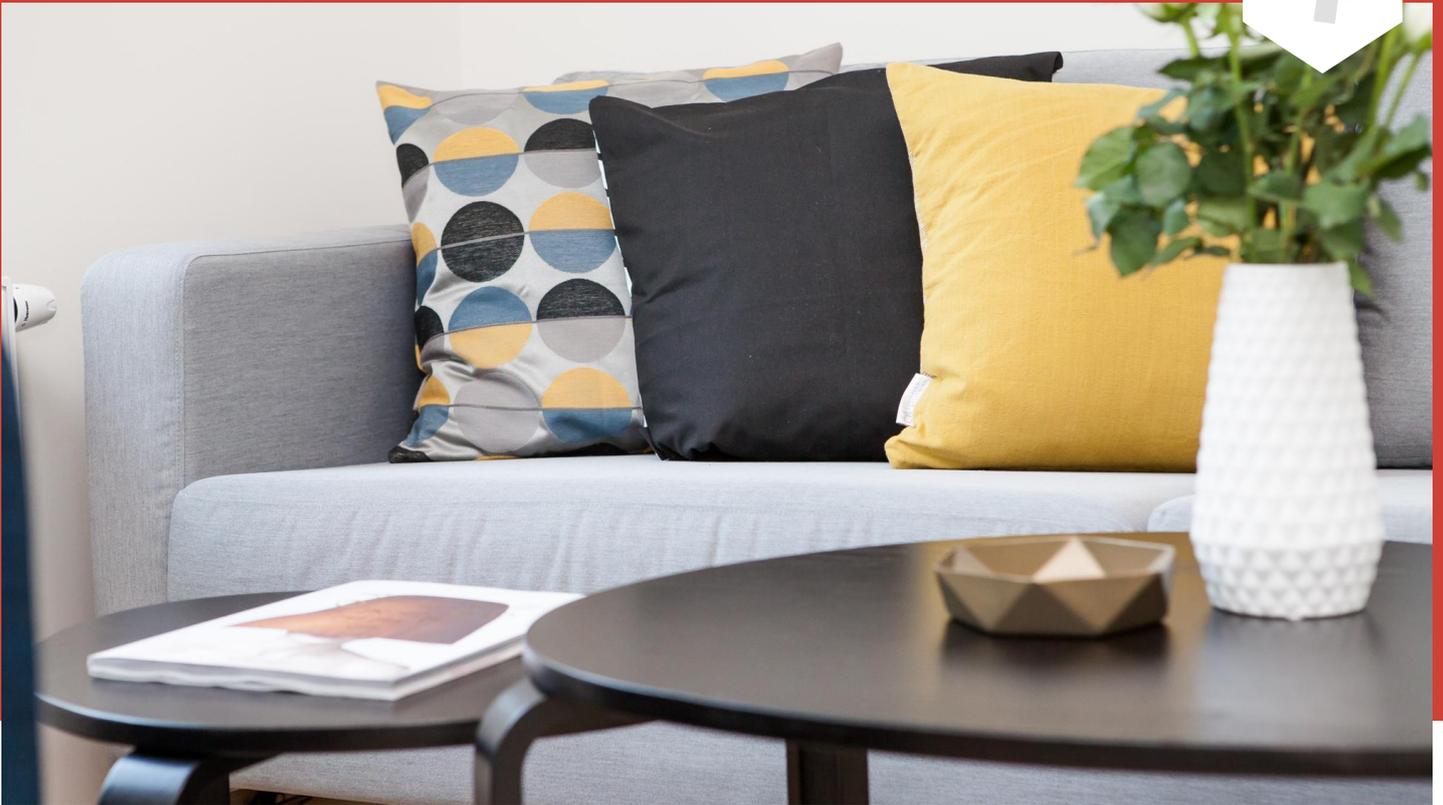
The Perhar Team



You have found your new home! Now is the time to prepare an offer. This document is standardized by the Ontario Real Estate Association. Take some time to read through it and familiarize yourself with the elements of it. You may ask your lawyer you go through it with you if you like.

One thing that become increasing important when you are preparing and submitting an offer is that you always are reachable by phone, fax or in person. As offers are susceptible to time frames, you must be able to respond sometimes within only a few hours. All parties that will have their name on the property title must sign **ALL** documents **EVERY** time.

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The Price

The first step in preparing the Agreement of Purchase and Sale is to determine the price that you are willing to offer the seller. This price may or may not be the same as the seller's asking price. You must also indicate the deposit you will be submitting upon acceptance of the offer. The cheque will be cashed immediately and if the deal falls through, it will be 10+ days to get the cheque returned.

Inclusion / Exclusion

The second step involves stating a list of exclusions and inclusions. Usually this seller will have suggested what they would like to include in this section, however, it is up to you what gets included in the offer.

Irrevocability

Offers are subject to time limits. When you Submit an offer, you will need to determine how much time you would like to allow the seller to consider it. Your agent will be able to advise you on an acceptable time frame. Clients are bound to contract until the time frame expires.

Completion Date

The completion date is also known as the closing date. This is the date that you would like to take possession of your new home. Again, the seller may include stipulated their preferred completion date, typically the buyer has last say on the closing date.

Title Search

This is the time that you will allow you, in conjunction with your lawyer to examine the title to the property. Your lawyer, or agent will be able to advise you on an acceptable time frame.

Deposit

What you expect to put down

Possible Inclusions/Exclusions:

- *Washer and Dryer*
- *Kitchen Appliances*
- *Light Fixtures/Chandelier(s)*
- *BBQ Grills*



Schedule "A" (Condition)

It is common to include conditions in your Offer to Purchase, for example, to ensure that you are able to obtain appropriate financing, to be able to do an inspection of the property, or to allow you time to sell your current home. These examples of conditions are included with the Agreement of Purchase and Sale. The Offer is signed, and submitted to the seller, usually through the listing agent, or through the vendor's lawyer. Within the irrevocable time frame, they must then accept your offer, decline your offer, or prepare a counteroffer.

Counteroffer

When the vendor receives your offer, they have an option of making changes to it then submitting it back to you. In this case, they will include an irrevocable time, by which you then have the option to accept the vendor's offer, decline it, or prepare another counter offer. What can happen if you counteroffer at any stage in the negotiation i.e., If another offer is waiting in the wings, then it will cause an opportunity for a multiple offer situation which can leave you on the outside looking in.

Once both parties are able to reach a mutually accepted agreement, and the "Confirmation of Execution" is signed, you will both then be bound to the purchase/sale and its conditions (if applicable).

Multiple Offer Situations

It is possible, especially looking in the downtown core of Ottawa, that you may be one of multiple parties that have submitted an offer to the seller. In this case you are then in a multiple offer situation. The seller has the right to look at all the offers that are presented to them, and choose which one to respond to (either to accept or counteroffer). Usually, the party asking closest to the asking conditions, such as price, inclusions, and closing date is the one that will most likely be considered.

If your offer is the one that the seller chooses to work with, they will either accept your offer or present you with a counteroffer. At this point you now hold the control in the deal. The seller may not consider other offers until you respond to their counteroffer, or allow the offer to lapse (do not respond before the irrevocable time). You have the option to either accept the seller's counteroffer or make a counteroffer yourself. You should be aware, however, that if you choose to counteroffer the seller's counteroffer, you again allow the seller to reconsider any other offers that are presented and possibly respond to another party's offer.

Once the offer has been accepted, you will have to plan to make time for the following:

1. *Building inspection*
2. *Bank meeting for final approval*
3. *Amendments and notice of fulfillment*
4. *Consult Lawyer*
5. *House Insurance*