

STEP 8 to Selling Your Home

An Offer!

Fabulous! We've gotten an offer. We need to review it carefully. A few main points I want you to pay particular attention:

Offer price: Do you feel this is a reasonable offer or would you like to make a counter offer? What would you like to receive as your "net proceeds"?

Closing date: Typically closing takes place 30-45 days after contract acceptance. Sometimes buyers will ask for a longer closing date if they are doing a special loan program, need to give their landlord longer notice if they're renting, need to sell their house, etc. If a buyer is paying 100% cash we can usually close faster than 30 days, but 30 days is generally the required minimum if the buyer is using a mortgage to buy the property.

Earnest money: How much earnest money is the buyer putting down? The typical amount is 1% – 5%. If the buyer is putting down less than that amount, it could mean that the buyer is doing a special loan program which requires a down payment of 0% – 5% down such as a VA loan or FHA loan. Ideally, we like to see buyers putting down at least 1% for the earnest money.

Down payment: Depending on the buyer's particular loan program the down payment could be anywhere from 0% up. It's nice to see that the buyer is putting down at least 10% (20% is ideal) unless they are doing a special loan program like a VA or FHA loan. The more they are putting down the greater the chance that their loan receives approval.

Closing cost credits: Does the buyer want you to pay a portion of their closing costs? If so, how much? Please note the amount they are asking for comes off your net amount. So if a buyer is offering \$500,000 for your home, but wants a \$10,000 closing cost credit that means the offer is really a \$490,000 offer.

Home warranty: Did the buyer ask you to provide a home warranty? Depending on your home, this can cost you anywhere from \$400 – \$1,000 and is paid by you at the closing table and comes out of your net proceeds.

Personal property: Did the buyer ask for any of your personal property to be included in the contract such as that great lamp in the living room or the bar stools in your kitchen? You do NOT have to include these items if you want to take them with you. Be sure to review the "Included Items" on the 1st page of the Purchase & Sale Agreement.

Contingencies: Carefully review any contingencies the buyer has placed in the contract such as needing to sell their own home before they can buy your property?

Additional conditions or addendums: Review all addendums and conditions

Once an offer comes in, we'll discuss all of the above then you can decide whether to accept, counter or decline their offer. If we decide to counter, realize that some negotiations move fast and others slow. We've had some negotiations take 2 hours while others have taken 2 weeks. It just depends on how quickly each party makes decisions, how quickly the Brokers relay that information, if everyone is in town and easily reachable, etc. Try to be patient.