



Making an Offer

REALTOR® groups, working with legal counsel, have developed forms that are appropriate for realty transactions in specific communities. Such documents include numerous sale conditions and their wording should be carefully reviewed to assure that they reflect the terms you want to offer. REALTORS® can explain the general contracting process in your community as well as his or her role.

While much attention is spent on offering prices, a proposal to buy includes both the price and terms. In some cases, terms can represent thousands of dollars in additional value for buyers -- or additional costs. Terms are extremely important and should be carefully reviewed.

How much?

You sometimes hear that the amount of your offer should be x percent below the seller's asking price or y percent less than you're really willing to pay. In practice, the offer depends on the basic laws of supply and demand: If many buyers are competing for homes, then sellers will likely get full-price offers and sometimes even more. If demand is weak, then offers below the asking price may be in order.

How do you make an offer?

The process of making offers varies around the country. In a typical situation, you will complete an offer that the REALTOR® will present to the owner and the owner's representative. The owner, in turn, may accept the offer, reject it or make a counter-offer.

Because counter-offers are common (any change in an offer can be considered a "counter-offer"), it's important for buyers to remain in close contact with REALTORS® during the negotiation process so that any proposed changes can be quickly reviewed.

How many inspections?

A number of inspections are common in residential realty transactions. They include checks for termites, surveys to determine boundaries, appraisals to determine value for lenders, title reviews and structural inspections.

Structural inspections are particularly important. During these examinations, an inspector comes to the property to determine if there are material physical defects and whether expensive repairs and replacements are likely to be required in the next few years. Such inspections for a single-family home often require two or three hours, and buyers should attend. This is an opportunity to examine the property's mechanics and structure, ask questions and learn far more about the property than is possible with an informal walk-through.