

## FUNDAMENTALS OF A PURCHASE AGREEMENT

Preparing and reviewing the sales agreement is one of the most critical aspects of the Selling/Buying experience. Incorrectly communicating your intentions can be financially and legally devastating.

This is one area where a Realtor can be worth their weight in gold! First, they see purchase agreements every day. It's their living. They specialize in obtaining the best terms for their clients. Second, you are protected by the Errors and Omission insurance that all Realtors must carry! Should they error to your detriment, you may have recourse through the brokerage and/or Errors and Omission insurance coverage.



Can you prepare and/or review contracts yourself? With enough research, sure! Can you do so while obtaining the best terms and without inadvertently creating an unenforceable contract? Maybe. Are you an attorney? Are you aware of all the legally required disclosures you must make as a seller? Lead Base Paint, and Meagan's Law are the easy ones. Do you know the rest? If not make sure you learn about them, it's in your own self-interest. While the soul of Real Estate is not brain surgery it does have certain aspects that only specific knowledge can address. Many books on the subject are available and should be read and understood if you will be representing yourself.

First and foremost if it's not in writing, it doesn't exist! Real estate transactions must be in writing, and only that which is in writing is enforceable. Verbal agreements, no matter how specific and clear will not be enforced by any court of law as it relates to Real Estate in the state of California.

Most agreements involve at least two common contingencies (and sometimes more): The buyers' ability to obtain financing, and the buyers' approval of professional inspections of your home.

The agreement should also spell out who is going to pay which closing costs. Who pays what is usually dictated by local custom, but they can be negotiated. Do you know what these costs are and who usually pays?

Another important area of the agreement details what, if any, personal property items are going to be left behind/taken. Anything that is not PERMANENTLY attached to the home is considered personal property. Its disposition should be listed in the contract. Examples would be spas, sheds, curtains, your grandmothers' chandelier, and refrigerator, etc. If you are the seller, and you plan on taking items with you, make sure you say so in the

agreement. If you are the buyer, and you want it to stay, make sure you say so in the agreement.

The real estate agreement is a very detailed legal document and should be carefully reviewed before signing. If you do not have a Realtor representing you, you may want to hire an attorney to review the contract.

