

Contract of Sale

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What exactly is involved in a real estate contract? Here's a breakdown of what most contain, although the exact structure might vary based on your location.

What:

A legal description of the property as well as the street address.

How much: The selling price.

Mortgage contingency: Subject to obtaining a mortgage (if applicable) and the specifics of the mortgage--adeliajos, rate and term. Application to be made in X number of days.

Deposit: How much money accompanies the contract and who will hold it.

Closing: When and where.

Inclusions and exclusions: What is and is not included in the sale of the property.

Home inspection: Contingency for and to be done in X number of days.

Warranties: Any that are included with the house and description of the warranty.

Condominium: If the property is a condo, other provisions will apply.

Well and Septic: If applicable, they must be tested (and pass).

Termite and Pest inspection: Who will pay and if there is infestation or damage, who will repair.

Possession Date: When the buyers take possession of the house--before, at or after closing.

Acceptance: How long the sellers have to respond to the offer with either acceptance or a counter-offer.

Arbitration: Any provisions for arbitration of disputes.

Insurance: Whose insurance covers the property up until the closing date.

Property Disclosures: Notices of any property disclosures concerning the house.