

MAKING AN OFFER ON A PROPERTY

You're now at the stage where you have decided on a property you want to buy. You therefore need to decide how much you're willing to pay. Be sure to make your offer through the Estate Agent who introduced you to that particular property and have the following information to hand to put your offer across in the best light.

Have the following information:

- The price you are willing to pay
- Whether your offer includes any extras not included in the asking price, (i.e. fixtures & fittings, carpets and curtains etc)
- Your own bargaining position and whether you are a "First Time Buyer" or dependant on the sale of your own property.
- If you are dependent on the sale of a property, you need to be clear on that property's status. Is it "under offer" or merely on the market still trying to attract some interest. If you are selling through an Estate Agent yourself, then have your Agent's details to hand. The vendor's Agent will usually contact your Agent to verify the status of any chain or current marketing status.
- How you intend to finance your purchase. You could be a "Cash Buyer" which means you have the total funds available and you are not dependent on either a mortgage or the sale of a property which can be evidenced if required. Alternatively it could be "Cash from Sale" purchase which means you still don't require a mortgage but are dependent on the sale of a property whether under offer or on the market. As in the majority of cases however you will probably require a mortgage plus a deposit or equity proceeds from the sale of your own property.
- If a mortgage is required the Estate Agent will look to confirm the amount of mortgage required and whether the mortgage has been "Agreed in Principle". The Agent may enquire whether a certificate to confirm this is available on request. In addition to this or alternatively they may ask for details of the financial advisor, bank or building society you are intending to use or seek to have your financial ability to proceed qualified through their own in house mortgage services.
- Lastly ensure your timescales are compatible with the seller's. If you are in a desperate hurry to move into the property but they are happy taking their time to find the right property and move in say 5 months time, then it's unlikely you will be compatible unless these issues are clarified at outset.

The above list may seem quite detailed and some purchasers refuse to go into detail on every aspect until they have reached a verbal agreement on price which is certainly your choice. However if an offer is acceptable most Estate Agents will work under a duty of care to the vendor (seller) to clarify these details prior to engaging a sale so they will usually be required at some stage. Also consider the increased confidence your offer now brings to the table with both the seller and Estate Agent knowing that if your offer is accepted you are well organised and ready to proceed.

The Exchange Mortgage Services offers an additional service to its clients where if you don't feel confident dealing directly with the vendor or their Agent can remove some of the stress. If you are arranging your mortgage via "The Exchange Mortgage Services" we can at no additional charge, if requested contact the Estate Agent or vendor in the case of private transactions with full details of your offer as directed by you. In addition or alternatively you may just take the opportunity at this stage to ensure you have the best mortgage to suit your circumstances. Our independent advice and recommendations can prove invaluable and may save you money by comparing the whole of mortgage market. (For more details visit our mortgage section)

The outcome of your offer:

Your offer has now been put forward for the seller's consideration and we will now look at the various outcomes which could arise.

- The offer may be accepted and the seller may agree to remove the property from the market and stop any further marketing activity. He will then engage into a sale with you.
- The offer may be accepted but the seller may decide to continue marketing the property which could result in additional offers to compete with your own. This is often an outcome if you are not in a position to proceed as your own property has not got a buyer and you are dependent on its sale to purchase. If this is not the case then certainly question the sellers reasoning for this stance as it greatly increases the chance of enticing and proceeding with alternative offers. Due to this fact it's common not to incur any legal or mortgage expenses until you are satisfied the property has been removed from the market.
- The offer may be acceptable subject to confirmation of some additional information or a valuation being booked. This may mean they will temporarily cease marketing or continue marketing until you have provided for example proof of cash funds, the agreement of your mortgage in principle or the arrangement of a valuation/survey on the property.

- The offer may be rejected if it is deemed too low. In some cases you may be given an indication of the region of offer that would be accepted.
- The offer may be rejected in favour of an alternative offer. The alternative offer may be higher or in some cases deemed by the seller and their Agent a better ability to proceed.

Help & Guidance:

Although Estate Agents provide advice on property details to prospective buyers their main concern is to get the best price for the seller.

All buyers should be treated fairly and Estate Agents must not hold back offers from buyers who do not wish to use their services. For example offers should still be presented even if you are not arranging your mortgage through the Estate Agent.

The strength of your offer lies in your ability to proceed. For example not having a property to sell, property to sell but under offer, not requiring a mortgage or requiring a mortgage but which is agreed in principle.

If the property has only been on the market for a short period of time they are less likely to accept a low offer unless you're in an extremely strong position or their circumstances require a quick sale.

If the seller has set a low price to gain a quick sale they may be unlikely to be flexible on their final selling price.

Prior to making an offer ask the seller or the Estate Agent their reasons for selling and what their onward moving intentions are as this may enable you to gauge the right level of offer to make in relation to the compatibility of your own position.

If you are aware of multiple offers on the same property, make your initial offer count on price and highlight the strengths of your position to avoid disappointment.

Even if an offer is accepted, neither you nor the seller is legally obliged to go through with the sale and either you or the seller may withdraw from the sale at any time until contracts have been exchanged.

If a sale has been agreed it is not the Agent who decides if the property remains on the market. This decision lies with the seller but possibly with the Agent's guidance.

Offers may still come in after a sale has been agreed due to previous marketing. In these circumstances the Agent is legally obliged to present all offers to the seller, unless the seller has stated in writing they do not wish to be notified. The Agent should inform you if this situation arises but will not be able to disclose the amount of the other offer. This scenario is caused gazumping and is legal.

In rare cases the outcome of an offer may be the Estate Agent informing you that offers will go to “sealed bids” or you may be involved in a “chain race”. These are usually complex situations and vary according to circumstances. In this situation it is advisable to take advice from your legal representative and fully inform yourself of the facts before proceeding.