

Common Negotiables

- **Price**
- **Earnest Money Deposit** How Much? Does it "go hard" at any point to secure the seller's risk?
- **Inspection Periods** Since you may cancel your contract without risk during an inspection period, the shorter the better for most sellers.
- **Appraisal Contingencies** are tough if the seller has an over improved home or there have been distressed sales close by. Removing an appraisal contingency means that if the home is valued at less than the purchase price, the buyer can't cancel the contract based on the failure to appraise. However, the buyer will likely still be protected by the finance contingency. The buyer can bring additional cash to the table as the mortgage company will not lend above the appraised value. A cash deal without an appraisal contingency is risky for the buyer because in a seller's market, the seller will be less likely to reduce the purchase price to make up for the appraisal deficiency. If the appraisal comes in very low contingencies left in the contract, the buyer may be better off forfeiting their earnest money deposit than paying way above value.
- **Home Warranty** purchases and cost can be apportioned many ways, buyers may ask the seller to buy at closing in lieu of asking for repairs or updates. (home warranties are worth looking into)
- **Repairs and Credits** for repair or replacement of inspection issues.
- **Closing Credits** can cover a significant part of your downpayment or prorations included in the contract. You can make a very attractive offer to a seller for a higher price, better terms, and faster closing to offset the seller's decrease in net proceeds from closing credits. Ask your agent & lender.
- **Closing Date** is important to the seller because it factors into their carrying costs, relocation plans, and purchase of new property. They worry that if it takes too long you may not close and they will have wasted valuable market exposure time. Or depending on their situation, they might want more time to close.
- **Lease back** is the term for allowing the seller to stay in the property for a period of time, accompanied by a lease for a rental amount. This may make your offer very attractive for the right seller.
- **Buyer financing** can affect the appraisals, inspections, loan costs, loan amounts, and closing times. Due your diligence and make the best EDUCATED decision for you.
- **Furniture** may be written into a contract but cannot be financed into a home loan. Selling furnished might be convenient for an out of state seller. On the other side, perhaps you want to ask for a custom kitchen table built to match the kitchen?

Most important things to know about negotiations:

- 1- Ultimately, everything is negotiable.
- 2- You get more flies with honey.

