

Non Binding Property Negotiator

SELLERS TIPS:

When you as a Seller receive an offer through the *property negotiation* tool remember that this process is followed purely for negotiation purposes and a legal contract will only be established once the final agreement has been put into writing and signed by both parties.

When receiving an offer from a potential buyer, this offer may be subject to a suspensive condition to the approval of mortgage bond or sale of another property by a specific date.

If the amount offered is acceptable to you and you accept it with suspensive conditions, that means the offer is only binding once all suspensive conditions have been fulfilled. For argument sake, if someone, makes you an offer subject to the sale of another house, and you accept that offer, you can only accept other offers subject to the current conditions by the specified date.

If you want to accept an offer but u feel unhappy with the suspensive conditions ie. 2 months is to long for another house to sell, you may make use of the 72hr clause (suspensive condition 5 on page 5 of the Non Binding Property Negotiator). This will give you a back door and the 72hr clause will kick in when you receive another offer that is more acceptable to you. You have to notify the current buyer and he has 72hrs to give proof that the other house is sold and he/she has 72hrs to provide written proof that the suspensive conditions to sell his home

has been fulfilled, or the contract will be null and void and your new contract will be the valid one.

If the price offered to you is not acceptable, remember there are 3 balls to juggle. If you can balance all 3 of these balls you may have deal.

1. The Seller's perceived value
2. The Buyer's perceived value.
3. The true market value.

1) **The Seller's perceived value** is often based on the Seller's personal budget and on the selling price of other properties sold in his area.

2) **The buyer's perceived value** is based on his budget, personal needs and possible alternations he may want to make to the property. The buyer also compares the property to all the others he has seen.

3) **The true market value** of the property is based on:

All recent comparative sales in the area.

The current economic environment which determines whether we are in a buyer's or seller's market phase.

What a buyer is willing to pay and what a seller would be willing to sell for?

We have built a number of possible responses into the negotiation tool for your consideration. Remember, your property's value is determined by other similar properties that recently sold in your area. My advice to you would be to carefully consider any offers made.

Choose one of 4 possible responses from page 4 -8 and motivate:

- You can accept and make some changes to the suspensive conditions.
- You can accept the offer without any suspensive conditions
- You can reject the offer. (Always motivate)
- You can counter offer and make alterations to the suspensive conditions.

Please disclose all possible weaknesses and defects of the property to the buyer for his consideration in suspensive condition 3 on page 5.

When this negotiation process is successful the seller is responsible to make an appointment with the transfer attorney. If there are suspensive conditions to the offer from the buyer, an administration fee of R1500 will be payable upfront by the buyer to the transfer attorney.