

# MAKING AN OFFER AND CLOSING THE DEAL



You've decided where you want to live. You've been to numerous open houses and looked at many different homes. After all that hard work, you've finally found the home of your dreams. Congratulations! Now – how do you make an offer to buy it, and what comes next?

To help make the process of buying a home easier, Canada Mortgage and Housing Corporation (CMHC) offers the following tips on how to make an offer, close the deal and buy your first home in Canada:

- An offer is a formal, legal proposal to purchase a home. If the offer is accepted by the seller, it is legally binding. So, if you are using a lawyer (or notary in Quebec), talk to him or her before you make an offer, and be sure you are prepared to live with everything that is included in your offer before you put it in writing.
- Offers to purchase a home can be made conditional. This means that the offer is conditional on something else, such as you being approved for a mortgage or having a home inspection done on the house. If any of the conditions aren't met, you can change or cancel the offer, even if the seller has already accepted it.
- In most cases, an offer to purchase a home will include the following information:
  - your name, the name of the person selling the home and the address of the home;
  - the price you are offering, which may be lower than the price the seller is asking for;
  - any items in the home that you want to have included in the purchase price, such as the drapes, carpets, appliances or light fixtures;
  - financial details, such as the amount of the deposit you are including, any interest that is to be paid on the deposit and details of your mortgage financing;
  - the closing date for the sale and the date you want to take possession of the home (usually 30 to 90 days from the date of the agreement);
  - a request to the seller for a copy of a current land survey;
  - the expiry date (the date the offer ends), which is usually 48 to 72 hours from the time the offer is made; and
  - any conditions you want to make on the offer, such as making sure the house passes a home inspection or making the offer conditional on your being approved for mortgage financing.

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- After your lawyer (or notary in Quebec) has looked over your offer, your realtor will take it to the seller. The seller can either accept your offer, reject it, or make a counter-offer. A counter-offer is an offer to sell you the home but with some changes made to your offer, such as a higher price or a different closing date.
  - It is then up to you to either accept the counter-offer, reject it, or make another counter-offer of your own. It is quite common for many offers and counter-offers to go back and forth between a seller and a buyer, so don't worry if this happens to you. It is all a normal part of the process of buying a home. Just make sure you have a maximum price in mind that you're willing to pay, and be prepared to walk away if you and the seller can't reach an agreement that stays within your budget.
  - Once your offer has been accepted, there are just a few final details that have to be taken care of before the home is truly yours. On closing day (the day you take possession of the home), your lender gives your lawyer or notary all the money from your mortgage, and you give them all the money for your down payment, usually with a certified cheque. The lawyer or notary will pay all the fees and other costs for you, and send the money to the seller's lawyer. Lastly, your lawyer or notary will register the house in your name, and give you the deed and keys to your new home.

Remember: an offer to purchase is a legally binding contract. So make sure your lawyer and realtor look at it with you before you send it to the seller.

For more housing information, please visit Canada Mortgage and Housing Corporation at [www.cmhc.ca/newcomers](http://www.cmhc.ca/newcomers).