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## **Understanding the Agreement of Sale in Real Estate**

(MALVERN, PA ) – Buying a home is one of the largest purchases most consumers will ever make in their lives. Understanding the Agreement of Sale, the main contract in the transaction, helps make the process smoother.

“While everything in the Agreement of Sale is important and your Realtor® can help you appreciate the details, there are a few key issues that consumers should take additional time to understand,” according to Dave Ashe, chairman of Suburban West Realtors® Association and broker/owner of Keller Williams offices in Exton and west Chester.

Several key elements to pay particular attention to are:

- **Understand “dual agency.”** “If your Agreement of Sale notes that your real estate agent is a ‘dual’ agent, it means your agent is representing both the buyer and the seller of the property at the same time. This is legal in Pennsylvania and most other states but consumers should take the time to understand what this means,” Ashe said.
- **Be detailed in description of fixtures and personal property.** Sellers should clearly identify fixtures and items that are included with the sale – that means everything that will be sold along with the house. “The seller should be specific about which appliances stay with the house, lighting fixtures, and anything that looks like part of the property,” Ashe said. “Buyers should carefully review items that are included or excluded by the seller and can negotiate over any additional items they may want included in the sale.”
- **Be truthful regarding financial information.** “Buyers don’t realize that they can jeopardize their mortgage application process by making large purchases or

other financial activities and that can in turn cause problems with the transaction,” he said. “Buyers need to fully understand they are obligated to act in good faith and if they do something that affects their mortgage process, they could lose their deposit.”

- **Know what’s involved in disclosure.** Most sellers are required to complete a seller disclosure form and have a duty to disclose known material defects, such as flooding. “Buyers will want to make sure they have received a copy of the disclosure form prior to completing the Agreement of Sale,” Ashe said. “Buyers may want to use the disclosure to guide their decisions about any home inspections. If the buyers believe something should have been disclosed, they can try to hold sellers liable.”
- **Inspections are a buyer’s choice.** Inspections can be important to both buyers and sellers. Sellers may want to opt to have an inspection done prior to selling so they’re aware of any issues with the property. Buyers have the right to waive an inspection of the property, or elect to have every inspection available. It’s incumbent upon buyers to decide what inspections are needed to complete the transaction to ensure they know as much about the property as possible. The seller also has the right to decline the buyer’s offer based on the inspection.
- **Find out if a homeowners association is involved.** “Many people aren’t aware of what types of restrictions come with a homeowners association, so buyers should carefully read the homeowners association manual,” he said. “Sellers need to provide a certificate of resale which they should request from their homeowners’ association as soon as possible because the officers of many homeowners’ associations are volunteers and their meetings are infrequent.”
- **Ask about oil, gas and mineral rights.** Ensuring the oil, gas and mineral rights are clearly defined is crucial as they vary greatly from one end of the state to the other. It’s important to consult with legal counsel if there are rights involved.

“Buying a home is an exciting time,” Ashe added. “Working with a Realtor® who can will explain the forms used for the transaction will help ensure the process goes as efficiently as possible.”

Suburban West Realtors® Association is the largest local real estate association in Pennsylvania, representing over 5,000 real estate professionals in Chester County, Delaware County and the Main Line.

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