

Offers Are Great But Closings Are Better

Published on Mar 16, 2021 by Joel King, ALC, CAI



Imagine going through a tough negotiation with a potential Buyer, spending time and effort to compromise with everyone and you finally have an executed agreement, and then it falls into a dark hole. That is the way most parties in a real estate transaction feel when the property goes to closing. Naturally, that doesn't happen, as the work has just begun. The checklist is very lengthy so I'm going to hit the highlights.

All items are important, but first, we must start by choosing a title company. Think of them as the conductor of an orchestra making certain that everyone is on the same page and that all agreed-upon terms and conditions are in place or performed prior to closing. Title agents are some of the most underrated parties in a real estate transaction.

After that important decision is made, all parties and agents in the transaction must perform as they promised in the executed agreement. Starting out with the listing, the Seller must inform the listing agent of how they took title to the property and this will help make sure the executed purchase agreement was signed by the party that is legally able to convey title, however, in the purchase agreement Buyers are equally responsible for entering the agreement as the party that will ultimately take title. If not, an addendum will be necessary to make sure all parties are identified, and the signor is legally able to do so.

Until the pandemic, closings were usually 30 days from execution of the agreement but now, they are pushing 45 days on most transactions. In the past 12 months we have had closings on front porches and in parking lots of the closing companies but nevertheless, they did get done. With the market for both vacant and improved land staying strong, I suspect 30 to 45 days is going to be the new norm going forward.

After all searches, inspections, and documentation preparation is completed, be looking for the closing statement for your review. If you do not receive one within 24 hours prior to the scheduled closing date, be sure and contact your real estate or title agent to request one. Very few transactions fall apart at the closing table, however, it has happened. The last thing any of the related parties want is to work hard to get it to this point and then things crumble because of a simple misunderstanding.

The day of closing is a culmination of everyone working in sync to bring together parties with the same mindset and that is to close and move on with their lives. As you can tell, it's not as easy as listing, showing, and writing a contract. When choosing a Listing or Buyer Broker, make sure they have experience in the type of property and don't hesitate to ask them about their closing procedures. Peoples Company knows how important a closing is so contact one of our agents for your selling needs in the future.