

# A Note About Contingent Offers



If you're thinking of buying a new home, but need the net proceeds from the sale of your existing home to cover the costs of that purchase, you can make your offer to purchase the new home **contingent** upon the sale of your existing home.

In addition to generating the funds for purchasing the new home, a contingent offer allows you to shop for a new home while still living in your house; if the timing works out, you only move once.

Contingent offers are just like all other offers to purchase a home, except for the condition of your own home sale. Here are the basic components of this unique contingency:

- ★ If your home is not yet listed for sale, provide a date when this will happen. (The quicker, the better.)
- ★ You will then provide a deadline date by which you will accept an offer on your home. If that date passes without you receiving an acceptable offer, you have two standard choices:
  1. Remove the contingency and move forward with your purchase
  2. Terminate the offer by letting that date pass without further action. If you terminate the offer in this manner, you will receive your earnest money deposit back.
  3. A third 'option' is that you negotiate to extend this date with the seller (although this, of course, is not guaranteed and shouldn't be part of your strategy).
- ★ The seller who accepts your contingent offer is still allowed to continue to market their home for sale, **and even accept other offers** that are more attractive than yours. (Your status as a contingent buyer puts you in what's called 'bumpable status'.)
- ★ If the seller does receive a better offer than your contingent one, you will receive notice from the seller, and you'll have **one day** to let them know one of these three things:
  1. You've accepted an offer on your home (thereby removing your contingency);
  2. You have not accepted an offer, but will remove the contingency of your home sale and agree to move forward with the transaction and pay the balance with other verifiable funds; **or,**
  3. Terminate the transaction and receive a refund on your earnest money deposit

***Note:** any contingencies you add to your offer to purchase can make your offer less attractive to sellers, especially in an active market, because those contingencies represent additional requirements that must be satisfied before the sale can close. When comparing otherwise equal offers, the one with less contingencies will almost always be stronger.*

**If a contingent offer makes sense for your situation, I'm happy to discuss more details with you and to help form a strategy for your success.**

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