



10 frequently asked questions

From the moment you become interested in a property to the moment you sign the contract for your new home, you will be confronted by a multitude of questions. Not surprisingly as buying a house is not something you do every day. This is why you need a NVM (Dutch Association of Real estate brokers and real estate experts) broker. Real estate brokers affiliated to the NVM are very experienced and will answer all your questions. See below for the ten most FAQ's in buying your own home.

- 1: *When am I in negotiation?*
- 2: *Can a broker continue with viewings while an offer is being negotiated?*
- 3: *If I offer the asking price, is the vendor then obliged to sell the house to me?*
- 4: *Can the vendor increase the asking price for a property during negotiations?*
- 5: *How is the purchase actually made?*
- 6: *Is an NVM broker permitted to change the method of sale during negotiations?*
- 7: *Is an NVM broker entitled to ask a ridiculously high price for a property?*
- 8: *What is an option?*
- 9: *Does a broker have to negotiate with me first if I was the first to call for a viewing or if I'm the first to make an offer?*
- 10: *Is the real estate broker's commission included in the 'purchasing costs payable by the purchaser'?*

1: When am I in negotiation?

You are only in negotiation once the vendor has responded to your offer by making a counteroffer. You are not in negotiation when the vendor's broker says that he/she will discuss your offer with the vendor.

2: Can a broker continue with viewings while an offer is being negotiated?

Yes, this is permitted. Negotiations will not necessarily lead to a sale. For example it is possible that negotiations are underway with several prospective buyers. A NVM broker is obliged to make this clear to you. The vendor's NVM broker will often tell interested parties that a property is 'under offer'. As an interested party you are entitled to make an offer but the broker can only enter negotiations with you once negotiations with the first interested party have been concluded. The NVM broker is not permitted to make any statement about the offers. This could lead to outbidding.

3: If I offer the asking price is the vendor obliged to sell the?

No. The Supreme Court of the Netherlands has ruled that the asking price should be seen as an invitation to make an offer. Even if you offer the asking price the vendor can decide to accept your offer or have his broker make a counteroffer.

4: Can the vendor increase the asking price for a property during negotiations?

Yes, the vendor can decide to increase or decrease the asking price. In addition as a prospective buyer you may also decide during the negotiations to decrease your offer. As soon as the vendor makes a counteroffer your previous offer lapses.

5: How is the purchase actually made?

Once the vendor and the buyer have reached agreement on the most important points (the price, the date of transfer and the resolute condition), the vendor's broker will set out the agreements made in a contract of sale. Resolute conditions are an important aspect. As the buyer, you will not automatically get a resolute condition. If you for example require a resolute condition for the finance, you must state this when making your offer. It is important that the parties



agree on any additional agreements and resolute conditions before the contract of sale is drawn up. As soon as both parties have signed the contract of sale, and the buyer has received a copy of this contract, you have a three-day reflection period. During these three days you are entitled to cancel the purchase. If you decide to buy the property the transfer will take place with the civil-law notary on the agreed date of transfer.

6: Is a NVM broker permitted to change the method of sale during negotiations?

Yes, this is permitted. If there is more than one interested party willing to pay the asking price (or more) the vendor's broker – in consultation with the vendor – may decide to discontinue the current negotiations and change the offers procedure. Like for a registration procedure. This gives all bidders an equal opportunity to make the highest offer. Before changing the system, the broker must of course fulfill any agreements already entered into.

7: Is an NVM broker entitled to ask a ridiculously high price for a property?

The asking price is determined after consultation between the vendor and his or her broker. An interested buyer is entitled to negotiate, but the vendor decides.

8: What is an option?

In a legal sense, an option gives a party the choice to conclude a contract of sale with the other party through a unilateral declaration. The parties have agreed on the conditions of the sale, but the buyer, for example, is given an extra week to consider. Such an option is common when purchasing newly built properties. This is not the case with existing properties, however. The term 'option' is often used incorrectly. In this case, it refers to certain concessions a vendor's NVM broker may be prepared to make to an interested prospective buyer during the negotiation process. In the meantime the NVM broker will try not to enter into negotiations with another party. The interested buyer can use this time to obtain better insight into his/her finance or the potential uses of the property. You cannot demand an option; the vendor and the vendor's NVM broker will decide themselves whether particular concessions are made as part of the negotiation process.

9: Does a broker have to negotiate with me first if I was the first to call for a viewing or if I am the first to make an offer?

No. The vendor's broker will determine the sale procedure with the vendor. He/she is obliged to inform you of the procedure. However, if you are seriously interested make this clear to the broker. This can prevent disappointment.

10: Is the real estate broker's commission included in the 'purchasing costs payable by the purchaser'?

No. The 'purchasing costs payable by the purchaser' includes the costs the government associates with the transfer of a property. This is a transfer tax (6%), the notary charges for drawing up the deed of transfer of title and the cost of the inclusion thereof in the registers. In addition, the buyer should take the (notary) costs for the drawing up and registration of the mortgage deed into account. If the vendor used a real estate broker to sell the house the costs are at his/her expense. After all, the vendor's broker represents the interests of the vendor and not yours as the buyer.

This is why you should hire a NVM real estate broker. The real estate broker's commission for the buyer's broker is at the buyer's expense.

Further assistance?

Have a look on www.nvm.nl or on <http://www.rmwoonen.nl> or visit NVM real estate broker **RM wonen**. Thank you for your interest!