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Condominium purchase and sale agreement

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In this article, I want to summarize a purchase and sale agreement drafted to protect a developer. The purchase and sale agreement should provide that the buyer has a 14 to 21 day due diligence period. During the due diligence period, the buyer and its agents and representatives should inspect the unit and the building of which the unit is a part. The buyer will have the right to cancel the agreement prior to the end of the due diligence period and get his deposit back.

At the end of the due diligence period, assuming the buyer has not cancelled, the deposit becomes non-refundable and the sale becomes an "as is" sale. A closing should not be delayed because of "punch list" items. Any post closing punch list items must be limited in scope. The developer must have ample time to complete them. In any event, there should never be a holdback at the closing.

In new construction, there should be exhibits to the purchase and sale agreement showing the plans and specifications of the unit. In new construction, the developer should agree to build pursuant to the plans and specifications with broad provisions for changes to be made by the developer, as needed, due to delays and other circumstances.

Few, if any, representations of the developer should survive the closing.

If there is a limited warranty, it should be limited in coverage and be for a short period of time.

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