

Contract of Sale Vs. Contract to Sell

Written by Administrator
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Have you been wondering why at times there are people who execute a contract of sale, while there are others who execute a contract to sell? While the two phrases sound too similar, which actually warrants confusion, there is actually a huge difference between the two. More often than not, you will find that real estate developers in Bacolod like Dynamic Properties and Realty Corp. execute a contract to sell, while private homeowners who sell their homes would execute a contract of sale.

Contract to Sell

In a contract to sell, there are basically two parties. The seller, and the buyer, the former, being the developer, while the buyer is the future homeowner. In this type of contract, ownership of the property is retained by the developer until such time that the buyer makes full payment of the agreed contract price. When the time comes that one has already fully paid the monthly amortizations, then the developer is bound to execute a contract of sale in order to convey full ownership of the property to the buyer. In short, a contract to sell, partakes of an obligation on the part of the developer to sell the subject property to the buyer, conveying full ownership rights to the buyer, upon full payment.

Contract of Sale

On the other hand, in a contract of sale, the seller, upon the execution of the said contract with all prestations in said contract having been complied with, title to the property is immediately conveyed to the buyer. This is why this contract is often executed between private individuals who are selling their property to another. They don't have the arrangements like that between a developer and a buyer.

So if you will be buying a property from a real estate developer like DPRC, you can expect a

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Contract to Sell to be executed in your favor. On the other hand, if you would like to reside at Oasis Subdivision where an existing house has already been built, which apparently is becoming the choice of a lot of people today, you might as well consider becoming a second homeowner. Sometimes, you'll come across information that the owner of the house is leaving for abroad, and is bent on selling his house. In this case, you might like to check out the property.

But for most of us though, it is really satisfying to be the first (and final) owner of a dream home. At Oasis Subdivision, dreams do come true. Houses are affordably priced and you will always find your future home to your liking.