

Fill in All the Blanks in the Provisional Agreement for Sale and Purchase before Signing to Avoid Loss



Mr Impatient Lee planned to buy a new flat before his wedding. He appointed Ms Sincere Sam, an estate agent and his old school-mate, to assist him in flat hunting. He found a flat he liked, with a sale price of \$5 million.

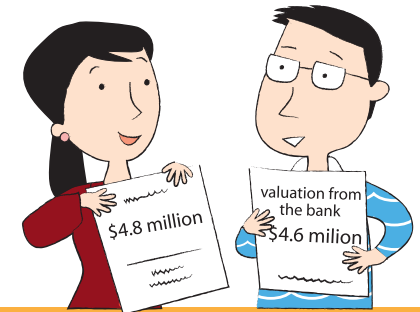


Despite his tight budget, Lee was eager to buy the flat and thus urged Sam to negotiate the price with the flat owner. He signed the Provisional Agreement for Sale and Purchase (PASP) with the figure for the price left blank and gave the initial deposit to Sam to show his sincerity.



After rounds of negotiations, the flat owner agreed to reduce the price. Hence, Sam gave the initial deposit from Lee to the flat owner and arranged for the flat owner to sign the PASP.

Sam told Lee that the flat owner had agreed to reduce the price and the transaction price was \$4.8 million. However, at the same time, Lee learnt that the valuation from the bank was only \$4.6 million. He was worried that he could not afford the difference and might need to forgo the deposit.



The PASP is a legally binding document and therefore one should not sign a PASP with important terms left blank. In this case, Mr Impatient Lee has signed the PASP without filling in the blank for the purchase price and this has caused him a loss.

Be a smart consumer and for your own protection, remember to finalise all negotiations and fill in all the blanks in the PASP before signing it!

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