

Effectively Using Letters of Intent in Real Estate Negotiations

Before agreeing to a real estate sales contract or lease, the parties may prepare a letter of intent, term sheet or other form of preliminary agreement (together, called here an "LOI"), writes Stephen Siegel of **Novack and Macey**.

An LOI reflects that the parties have agreed on certain important terms of a deal, though not on all of its provisions or details.

"A well-crafted real estate LOI should address the parties' intentions on such questions in clear terms. An LOI that is unclear as to what, if anything, it obligates the parties to do can invite uncertainty, disagreements and even litigation," Siegel writes.

Read the article.