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California Supreme Court Reduces Terms Required to Specifically Enforce a Real Property Sales Contract to Three P's: Parties, Price, and Property Description

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When is a contract to purchase real property sufficiently certain to be specifically enforced? A contract is not specifically enforceable if "the terms are not sufficiently certain to make the precise act which is to be done clearly ascertainable." In other words, the parties must have a meeting of the minds on all essential terms. With respect to the sale of real estate, at least, courts historically declined to supply material terms upon which the parties had not expressly agreed. "An agreement for the sale of real property will not be specifically enforced unless it not only contains all the material terms, but also expresses each in a reasonably definite manner." "If something is reserved for the future agreement of both parties, the promise can give rise to no obligation until such future agreement. Since either party, by the very terms of the promise, may refuse to do anything to which the other party will agree, it is impossible for the law to affix any obligation to such a promise." "The legal principles requiring that material terms be set forth in a reasonably definite manner have been applied in denying specific performance of agreements which are incomplete, indefinite or uncertain with respect to the terms of payment of deferred balances or the terms of encumbrances representing such deferred balances."