(Your Letterhead)

re: purchase contract for (subject address)

Dear (Seller Name),

We regret to inform you that we find it necessary to cancel our contract dated (enter date) for the purchase of said property at (enter address).

It did not pass our partner's inspections per paragraph 9 of the contract.

If there is something you can do for us on the price, it is possible that we can re-consider our discussion. But as of now, please consider this official notice that the contract is hereby cancelled.

Kind Regards,

(Your name and company name)