

Inspection Issues Can Kill Contract to Sell Your Home

By **JIM SMITH**
Jefferson County Realtor®

Given that I just bought a home and will be selling my own house shortly (see below), the subject of inspection objection and resolution is on my mind, so I'll devote this week's column to this important subject.



When you finally reach agreement on the sale or purchase of a home, the first critical deadline is the **inspection objection deadline** followed a day or two later by the **resolution deadline**.

This is the buyer's first opportunity to get out of the transaction (and get his/her earnest money back) if an inspection reveals problems unacceptable to the buyer and which the seller declines to fix.

One of the buyer's choices is to **terminate** the contract because of unsatisfactory physical condition instead of asking for repair. There isn't even a space on the form to indicate what those unsatisfactory conditions are, so this is sometimes used as an escape opportunity for unrelated issues — for example, the buyer may have found a house they like better. It doesn't matter. There is no defense to this objection, and the earnest money must be returned.

More complicated is the **"notice to correct"** option, in which a sometimes lengthy list of problems is presented with a demand that they be corrected. This is where the negotiating begins.

The seller typically will respond by offering to fix some things but not others. A couple of times I have had my seller refuse to fix anything at all, and the transaction was not terminated because the buyer was willing to take the house "as is." In one case, the

seller had found a job nearby and no longer needed to relocate, so it was okay with him if the deal fell through. In the other case, there was a signed back-up offer for more money, and if the buyer had terminated, the seller would have been able to move that back-up offer to primary position.

Inspection costs (which the buyer pays for) can vary from as little as \$125 to as much as \$350 for an average size home. Or the buyer may be confident enough in his own abilities to inspect the home himself. (I have done this myself on one occasion.) I'd be happy to recommend some inspectors I have come to trust.

Pre-inspection is a new tool for marketing a house. The seller hires an inspector and makes the inspector's report available to prospective buyers. I have hired HouseMaster to do this on my house featured below. The bonus to the buyer is that HouseMaster charges only \$99 to re-inspect the house for the buyer (if desired) and warrants that any component listed as working in the inspection is warranted by them for one year.

Mortgage Update

By **Jean Rowe, 303-601-4035**
 Clarion Mortgage Capital
 "Keeping Your Interest at Heart"

Mortgage rates inched up slightly last Friday, but still remain very low. As this week began, the rate was 5.5% (5.658% APR) for a 30 year fixed, conventional mortgage with a loan amount between \$200,000 and \$333,700. Indications from Federal Reserve Chairman Alan Greenspan's report to Congress last week are that the Fed is in no hurry to raise interest rates. Some believe that the Fed will hold rates steady until after the election. What a great time to buy or refinance! Call me to discuss your mortgage.

This Week's Featured Listing

Agent's Own Mesa Meadows Home

This is Jim Smith's home in Mesa Meadows. Jim and his fiancée have bought a home nearby and Jim is now offering this 4-bedroom, 2½-bath raised ranch for sale. It features such upgrades as a hot-water recirculation system which brings hot water quickly to any faucet in the house, granite counters, new paint and carpet, garden window (see picture), view of foothills, private hot tub off the main floor master suite, two-headed shower, sound proofing between floors, cedar lined walk-in closet, tiled floors in kitchen, baths & utility room, and more. Priced competitively at \$395,000.



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