

Purchase Contract With 'As Is' Clause Sounds Great, But It's a Hollow Promise

As buyers compete for listings, it is common to see contracts which promise that the buyer will take the house "as is" and not submit any inspection demands.

The Inspection Objection Deadline remains in the contract, but buyers assert that it would only be used to terminate the contract and not to demand any repairs.

I have been on both sides of this promise, both as listing agent and buyer's agent. Whether writing this additional provision for a buyer or explaining it to a seller, I point out that it's nice sounding but rather meaningless.

While the clause does suggest that the buyer will not submit a laundry list of both petty and major problems for the seller to fix, it does not guarantee that no major problems will need to be

addressed by the Seller.

Here's what really happens. A week into the contract period the buyer does the inspection and finds some "deal killers." Sure, he or she could simply terminate the contract, but why do it? The seller is already invested in the transaction and may have gone under contract on his or her replacement home. If the buyer says, "I'm going to terminate..." unless you replace the

furnace which is emitting carbon monoxide gas at dangerous levels," the seller would likely agree to make the repair.

After all, remember that under real estate law both the seller and the listing agent are obligated to disclose all material defects to prospective buyers. If the seller refuses to replace

the furnace, he and his listing agent will have to disclose the defective furnace to all prospective future buyers of the property. He might as well replace it for this buyer as for the next one.

With or without an "as is" provision, the buyer's agent is always wise to submit the full inspection report with his or her inspection objection notice, thereby putting the seller and his

agent on notice as to multiple defects that may not have appeared on the Seller's Property Disclosure. If this contract falls because the seller won't agree to make a reasonable number of repairs to issues raised in that report, he will be obligated to disclose all those newly reported defects to future buyers or else be in violation of real estate laws pertaining to full disclosure.

Buyers Can Now Get Email Alerts About New Listings Within 15 Minutes of Them Being Entered on the MLS

One of the coolest features of the Metrolist's new MLS computer platform, Matrix, is that it offers same-day notification to both brokers and their buyers of any new listings matching their search criteria.

Given today's seller's market, where homes are selling immediately with multiple offers, buyers can't afford to wait for alerts from any other

source, including Trulia and Zillow.

The new platform also has a mapping feature when searching for listings that allows buyers to be very specific about neighborhoods, and a single search can include multiple non-contiguous neighborhoods.

Any of Golden Real Estate's 10 agents can help you set up an alert. Our office number is 303-302-3636.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

Is the Gas-Powered Automobile Obsolete? Consider This...

For over 100 years, automobiles have been powered by internal combustion engines (ICE's), and it has gone pretty well. Systems have been perfected over the decades to make the ICE function better and better. First was the clutch with manual transmission, then synchromesh transmissions for easier shifting, then automatic transmissions. For noise control: mufflers. For pollution control: PCV's and catalytic converters. Automatic chokes and carburetors were replaced over time with electronic ignition. Generators gave way to alternators. Timing chains gave way in some engines to timing belts. Original spark plugs have been replaced with platinum spark plugs good for 100,000 miles.

ICE's create lots of waste heat, so cooling the engine is important. The dissipation of that heat becomes a problem in stop-and-go traffic or in very hot weather. (Park that hot ICE in your garage and you have another heat dissipation problem, especially if the garage is insulated.)

All these systems depend on an on-board computer — an expensive component in and of itself. There are probably additional systems I haven't mentioned. After all, I'm a driver, not a mechanic.

What these systems all have in common is that they are designed to make a constantly turning engine work effectively with wheels that have to stop and go at different speeds. Toyota's Hybrid Synergy system in its Prius and Lexus hybrids just adds another layer of complication to the operation of the ICE.

If you've looked under a new car's hood lately, you know how complex the support system for ICE's has become. These enhancements have been, for the most

part, highly successful. I am impressed at the quiet, smooth performance of my wife's Lexus with its V-8 engine and 8-speed automatic transmission.

But let's consider for a moment that the internal combustion engine with transmission is actually obsolete and that continuing to invest in gas-powered propulsion is no longer the way to go.

Once you have driven an electric car for 40,000 miles, as I have, it becomes clear that there is a better system — one that makes all that complexity unnecessary.

Thanks to today's lithium ion batteries and the amazing torque of electric motors, it is clear to me that this simple combination of battery plus motor can be an effective substitute for the ICE with all its necessary components.

The electric drive train requires no transmission, no exhaust system, no pollution control, no starter, no alternator, no engine cooling, or many other systems. There is no fan belt to drive the power steering, air conditioning or power brakes, which are powered by electric motors of

their own. With a range of 265 miles on a full charge, there is no need to plug in my Tesla except overnight.

Electric motors are 90% efficient vs. the 25% efficiency of ICE's. If you pay for electricity — I get it from the sun — your cost is 3 cents/mile vs. 20 cents/mile for gasoline.

What stands out for those who accept a test drive in a Tesla is its amazing acceleration and handling. With its low center of gravity, it holds the road exceptionally well.

That low center of gravity is the result of putting the battery underneath the length of the car, taking up no space that you'd use for anything else. And the motor is located between the rear wheels, where you'd find the differential in a conventional rear-wheel drive car. The result is that you have a spacious trunk under the front hood as well as a spacious rear compartment.

I'll be driving my Tesla to New York this fall, charging it for free during meal stops at the Tesla supercharging stations located every 50 miles along the interstates. The only cost for such a trip is the wear on my tires.



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