

How to Make Sure That the House You Buy Will Not Be a 'Money Pit'

When you go under contract to buy a home, the contract will have a deadline for inspection objection, inspection termination and inspection resolution. Every home buyer is well advised to hire a home inspector and make use of the opportunity to ensure that the home you end up buying is in good condition.

During the recent sellers' market it was common for buyers to waive or limit their rights to object or terminate based on the condition of the home as a way of making their offers more attractive. Even then, however, the smart buyer hired a professional home inspector so they would know what they're getting into.

Home inspectors are not licensed in Colorado, but they are typically certified by one of two professional associations. Your real estate agent can recommend inspectors that he or she knows are good based on the experience of previous clients.

The home inspector knows enough about every aspect of a home to provide a good overview, including identifying specific defects. In some areas, however, he will encourage the buyer to order a secondary inspection by someone with more in-depth expertise in the area of concern. Although a certified inspector can diagnose most electrical or plumbing problems, in some cases he might recommend a

more detailed inspection by a licensed electrician or plumber. That also helps to produce an estimate for inclusion in the inspection objection submitted to the seller.

Most inspectors can recognize a structural issue but will typically urge you to have the matter evaluated by a structural engineer. This can cost a few hundred dollars but, like the general inspection itself, could allow you to demand (and hopefully get) the seller to pay for a repair instead of paying for it yourself later on.

Two routine inspections that you should consider and which your general inspector can often perform himself for an additional fee, are the sewer scope and radon test.

A sewer scope consists of running a camera from a cleanout within the house to the main sewer line in the street or alley. Until the late 1900s, most home sewer lines were made of clay pipes that are susceptible to root intrusion and collapse. A sewer scope will cost you between \$100 and \$150, but is well worth it. If it uncovers a collapse, the repair, if excavation is required, could cost \$10,000 or more. You will want the seller to pay for that repair, not yourself.

A radon test also costs \$100 or so and consists of installing a computerized device in the lowest habitable area of the house — a basement, if

there is one, but only if it's habitable, whether finished or not. This device samples the air every hour for 48 hours, and the resulting measurement is an average of those 48 readings. If the result is in excess of the EPA action level of 4 picocuries per liter of air (4 pCi/L), you should demand that the seller pay for radon mitigation. Mitigation starts at about \$1,000 for a single family home, but can be considerably higher if it has a partial basement with an earthen crawl space. Again, the \$100 or so that you spend on the radon test can save you much more if you're able

to get mitigation paid for by the seller.

A final thought: The report produced by your inspector will include every little thing he or she found wrong with the house, because the inspector doesn't want you to come back later and say he missed something, however insignificant. Typically, your inspector will highlight the serious issues which you should consider for your inspection objection. Even then, it may be wise strategically to omit the minor items that you can take care of (or ignore) yourself.



How the Inspection Objection Process Works

As mentioned above, there are three deadlines in the Contract to Buy & Sell:

- ◆ Inspection Objection
- ◆ Inspection Termination
- ◆ Inspection Resolution

Typically, the objection and termination deadlines are within a week or 10 days of the date on which you go under contract. Since inspection is the most common reason that a contract falls, both seller and buyer want this date to be as early as possible. The buyer can submit an objection or can terminate. If he submits an objection,

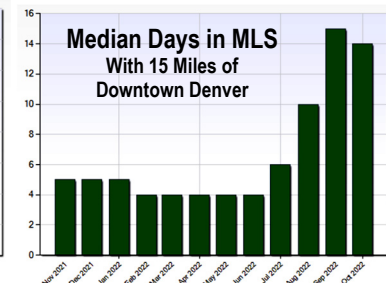
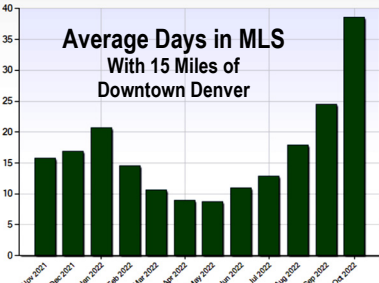
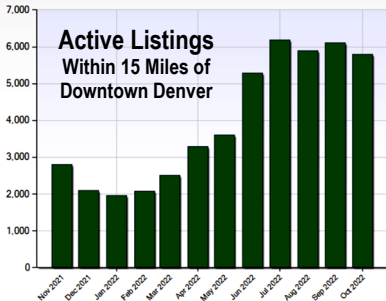
he can't then submit a termination. However, if an Inspection Resolution is not signed by both parties before the resolution deadline (typically 2-3 days later), then the contract terminates automatically.

The Inspection Objection and Inspection Termination documents are merely notices to the seller, so they are signed only by the buyer. The Inspection Resolution document is what truly matters, and it is signed by both parties, making it an amendment to the contract which, by the way, must be provided to the lender.

Here's How the Market Has Changed in the Last 12 Months

Month	Close Price to Original Price Ratio
Nov-21	100.10%
Dec-21	100.00%
Jan-22	100.80%
Feb-22	103.90%
Mar-22	106.20%
Apr-22	106.70%
May-22	104.60%
Jun-22	101.90%
Jul-22	100.00%
Aug-22	98.90%
Sep-22	97.70%
Oct-22	97.30%

Source: REcolorado.com



Help Turn Pumpkins Into Habitat Houses!

Golden Real Estate is happy once again to support the Habitat for Humanity pumpkin patches in Lakewood and Arvada. The Lakewood patch is at Garrison Street & Alameda Avenue, on the grounds of Mile Hi Church. The Arvada patch is on the grounds of Trinity Presbyterian Church at 78th Avenue & Wadsworth Blvd. Our thanks go to these two churches for providing great locations for this fundraiser.

Both pumpkin patches are operated each year by **Jeffco Interfaith Partners**, a coalition of a dozen local faith groups. The profits from these two volunteer-manned patches



have funded over 20 Habitat for Humanity homes in the metro area over the past 2+ decades.

The pumpkins are grown on a Navajo reservation in the Four Corners area, so the sales also benefit that community, which gets 60% of the proceeds. Habitat gets the other 40%.

Yes, the pumpkins sold at our two patches may be more expensive than at your local supermarket, but you have the satisfaction of making a difference with every purchase, and the 40% of your purchase which goes to Habitat is tax deductible. Ask for the tax receipt.

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