

Your Home Just Went Under Contract With a Buyer — Now What Happens?

I just had this conversation with a seller, and it occurred to me that you might like to hear what I said. The conversation actually occurred while we crafted the counterproposal to the buyer's offer. Sitting down with the seller, we went through the buyer's contract paragraph by paragraph, paying particular attention to the deadlines and to what was included and excluded.

The contract in question was full-price, but had a \$17,000 seller-paid concession to fund a buydown of the buyer's mortgage interest rate. The seller accepted that concession, and I emailed the buyer's agent to get agreement that the commissions paid to each of us would be paid on the purchase price minus that concession. She agreed. (This doesn't need to be in writing, other than in our email exchange.)

Naturally, my seller wanted to know about the buyer, so I shared what I had learned from interviewing the loan officer who provided the pre-approval letter.

In reviewing the dates and deadlines, I explained how they worked. For example, the inspection objec-

REAL ESTATE TODAY



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tion deadline was the deadline for the buyer, having inspected the house with a professional inspector, to submit a list of demands. I explained that this is a "notice" signed only by the buyer. That will trigger an inspection resolution document in which we say what we are willing to do. My buyers prefer not to do anything themselves and liked the idea that we could offer money in lieu of making those

repairs to which the parties agreed. I pointed out that the seller doesn't have to agree to do anything, but "let's wait to see what they ask for." I pointed out that since I learned that the buyers are closing on their out-of-state home a few days before our closing, they won't want to have to start their home search all over again, which gives us some leverage in terms of what we agree to do.

Similarly, I explained that the buyer could use the appraisal objection deadline to demand a price reduction if the home doesn't appraise for the contract price, but again we don't have to agree to that. It's a negotiation, and we could refuse any price reduction and it's unlikely the buyer would want to terminate and look for another home to buy.

The seller wanted to know how the earnest money deposit worked. I explained that the buyer gets his full earnest money back so long as he (they) terminate as allowed by the contract, such as on inspection, appraisal, HOA documents, survey, etc. A "good faith" provision prohibits using any of those opportunities to terminate other than what it's

for. In other words, they can't use the insurance objection deadline to terminate due to buyer's remorse. Only the inspection objection deadline can be used for that purpose.

The sellers wanted to know how the closing would work. I explained what would be deducted from their proceeds, namely property taxes for the current year pro-rated to the date of closing, half the closing services fee (\$180 or so), commissions to both agents, the title insurance policy, the payoff of their mortgage, and a few minor fees. They only need to bring their IDs to the closing along with wiring instructions for the account to which they want their proceeds wired.

They wanted to know about notifying utilities. I explained that the title company will handle the water & sewer bill, for which it will escrow \$300 or so from their proceeds. That bill will be sent to the title company, which will send the seller a check for what's left after applying the escrowed amount to the water bill. They should notify the gas & electric company, which may ask them to provide the meter readings on the day of closing. I explained that gas & electricity is never turned off and that their final

readings will be the start reading for the buyer. It is the buyer's responsibility to call and identify themselves for billing purposes.

The counterproposal, which I wrote during our meeting, made no changes in deadlines or price, but did clarify what was included and excluded, to avoid any possible misunderstanding later on.

Next Week Is National Drive Electric Week

For over a decade Golden Real Estate has hosted this event in the parking lot of 17695 S. Golden Road, but that building was sold on July 31st, so there will be no Golden event this year. In fact, only two of the eight NDEW events in Colorado this year are anywhere near us. One is in Broomfield on Saturday, Sept. 23rd, and the other is in Longmont on Saturday, Sept. 30th. More at www.DriveElectricWeek.org.

There will be an **Electric Vehicle Roundup on Saturday, Oct. 7th, 3 to 5 pm** in the parking lot of the American Mountaineering Center in downtown Golden as part of the **Metro Denver Green Homes Tour**. (See article below.) If you have an EV you're willing to display at that event, please call or email me to let me know.

Did You Know?...

- ◆ Flood insurance, if you have it, does not cover below-grade finished space. It only covers things like the furnace which support the above-grade space if it's in the basement.

- ◆ More than 4 out of 5 prospective home buyers consider climate risks as they shop, new Zillow research shows. Most say their major concern is flood risk, followed by wildfires, extreme temperatures, hurricanes, and drought.

Solar-Powered Home in Subdivision North of Golden

This lovely home at 19077 W. 57th Drive was just listed by **Kathy Jonke**. The small, friendly neighborhood of Wildhorse Ranch is great for adventuring in the foothills or just relaxing on the covered porch or deck and enjoying the mountain views. This well-maintained home has a large eat-in kitchen with stainless steel appliances, pantry, solid surface countertops and breakfast bar. The kitchen is open to the dining and living room, complete with a cozy gas fireplace and gleaming hardwood floors. The primary suite is a welcome retreat with a ¾ bathroom and spacious walk-in closet. Two additional bedrooms, a full bath, and an open bonus room provide a variety of options for flexible use. The landscaped yard and garden backs to a greenbelt with mature trees and walking path. Other features include a finished 2-car garage, new roof and solar panels that meet all this home's electrical needs. Take a video tour and find more photos at www.JeffcoSolarHomes.com.



Metro Denver Green Homes Tour Is October 7th

Saturday, Oct. 7, is the date of this year's Metro Denver Green Homes Tour, always held on the first Saturday in October.

The tour is based at the American Mountaineering Center on 10th Street and Washington Avenue in downtown Golden. New Energy Colorado is the host organization. Register for \$10 at NewEnergyColorado.com/home-tour.

Fifteen homes are on the tour this year, and many of them are all-electric. Gas furnaces are being replaced by heat pumps, and water heaters are being replaced by heat pump water heaters. Gas and electric cooktops are being replaced by induction cooktops. Electric fireplaces are here.

It has become conventional wis-

dom that natural gas within a home is both unhealthy and dangerous, and since you can generate your own electricity on the roof of your home, why not go all-electric?

As a member of the steering committee for the tour, I was tasked with shooting narrated video tours of each home on the tour, and these videos, plus videos of home on prior years' tours, are all posted or going to be posted shortly on the same website.

As much as I already know about sustainability, I *always* learn something new on these tours, and I am sure you will learn something new, too.

Visit that website today and pre-order your ticket for the Oct. 7th tour.

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"I cannot do all the good the world needs, but the world needs all the good I can do." —Jana Stanfield

