

Valley of the Sun Real Estate Update

October, 2003

How to Buy a House, Part Three

Inspections and Repairs

Over the last few months, we have looked at two major components of the home-buying process: how to design your search for a new home, and how to negotiate a contract on that home once you find it. Our series on home-purchase strategies will conclude with this month's examination of the last stage in the negotiation process, inspections and repairs.

The standard Arizona real estate contract provides a Buyer with the opportunity to perform many types of inspections on a target property. In fact, a Buyer can choose to investigate almost anything relevant to their potential enjoyment of the property, or the price they would be willing to pay for it. Some of these investigations may be done even before making an offer. For instance, you might have your agent put together a Comparative Market Analysis to look at how the list price of the home compares to others in the area, or you might drive around the neighborhood to see if it has a comfortable feel for you.

Sometimes, however, it is not practical to do these things before writing an offer, and in any event there will be other items to check out as well. The standard contract provides 10 days for the Buyer to perform any desired inspections. Most agents will strongly recommend having a licensed inspector review the physical condition of the property, and this may also include follow-up inspections of major components like the roof, the HVAC system, the pool, and so on. The lender will also be likely to require a termite inspection.

Neighborhood factors should also be investigated at this time. Is the house located in the appropriate school districts? Is there a Home-Owners' Association, and if so does it have any provisions that could be problematic? Is the home located near an airport, a freeway, industrial center, or other noise source? Answering these and other questions during the 10-day Inspection Period will help ensure that you do not have any unpleasant surprises after you move in.

At the end of the Inspection Period, the Buyer has three options on how to proceed. If the various investigations did not reveal any issues of concern, the Buyer can choose to accept the home as it is, with no repairs or modifications. This is unusual, but it does happen from time to time. If the investigations revealed items of major concern, the Buyer can choose

to withdraw from the contract at that point and begin searching for a new property. This is also relatively unusual, but does happen in a small percentage of cases.

The most common option is for the Buyer to request some number of repairs from the Seller. In general, these repairs should be limited to significant issues with the major systems of the home, and should not include minor or cosmetic items. Once the Seller receives the list of repairs, they have 5 days to consider the request and decide how to respond. If the Seller agrees to all the repairs, the contract will move forward towards closing. If the Seller refuses to perform some or all of the repairs, the Buyer has an additional 5 days to decide if the response is satisfactory. If not, the Buyer once again has the option of exiting from the contract. The Buyer could also elect to renegotiate the repair request.

Several factors will influence the result of this process. A strong contract price will likely give the Seller some financial room to make various repairs, while a lowball price may not. A Buyer who makes unreasonable requests is likely to be denied, but even simple repairs can be refused if the Seller is willing to risk driving away the Buyer. Your agent will be a valuable source of information during this process, and should be able to counsel you on what to expect. For additional information on the range of items that could be investigated, check out the Arizona Association of Realtors Buyer's Advisory on the Web at http://www.aaronline.com/documents/buy_advis.pdf.

On the Home Front

September was a banner month for us. I closed 8 transactions, which is a lot—my goal for the entire year was 12, and I am happily well ahead of that pace. Jill also grew her business, signing on 2 new clients.

In the midst of all this, we took a great vacation to the East Coast. I served as best man for friends who had a beautiful wedding on the beach at the Jersey Shore, and Jill and I spent several days hiking in the Adirondack Mountains of Upstate New York afterwards.



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Recipe of the Month

Seafood Quiche

This is a simple quiche that is good for brunch or dinner. The hardest part is making the pastry crust, and even that is easy to accomplish with a pre-packaged pastry mix. The extra freshness and flair you will get with a home-made crust is well worth the effort. The recipe is also fairly flexible, so feel free to substitute a few ingredients or to add in something of your own for a unique flavor.

Pastry for 9" crust
2 tbs butter
2 tbs chopped celery
2 tbs chopped onion
1 ½ cups crab meat
2 tbs finely chopped parsley
2 tbs sherry
4 eggs, lightly beaten
1 cup milk
1 cup cream
¼ tsp grated nutmeg
½ tsp salt
¼ tsp white pepper

1. Heat oven to 375°.
2. Line pie plate with pastry. Perforate bottom and sides, line with foil, add weights, and bake for 30 minutes
3. Melt butter in pan, sauté celery and onions. Add crab; cook on high until all liquid evaporates. Stir in parsley and sherry.
4. Put crab mix in pre-baked pastry shell.
5. In separate bowl, mix eggs, milk, cream, and spices. Strain over crab mix into shell.
6. Bake 45 minutes, or until a knife blade 1" from the edge comes out clean.

Makes 6 good-sized portions. Serve with fruit & cheese, salad or fresh vegetables, and white wine.

Culture Corner

Quick reviews of some recent favorites

Food: Jill and I went to Citrus Café (on Alma School north of Warner) for dinner the other night, and we really enjoyed it. The classic French menu features a few entrees and a wide variety of "small plates" that allows you to sample a broad range of foods & flavors without breaking your budget. The wine list is short but solid, with good selection of after-dinner drinks.

Books: A friend loaned me his copy of *Jitterbug Perfume* by Tom Robbins, and it was much appreciated. The book was a big hit when it was first published in 1987, and the writing is still a treat today, blending magical realism, metaphorical riffs, and bawdy humor. A great vacation read.

Books: *Carter Beats the Devil*, the debut novel from Glen David Gold, is set in Roaring Twenties San Francisco. Filled with subtle and witty writing, and an acute awareness of the thin line between the tragic and the sublime, the story follows the exploits of magician Carter the Great as he navigates the complex challenges and possibilities of life in post-war, pre-Depression America.

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