

Don't Short Change Your Realtor **September 1, 2013**

Dear Dave: We listed our house for sale with a top notch Realtor, and when we received a 'near full price' offer we asked our Realtor to pitch in some of his commission to make the deal work. We were surprised when he would not compromise and we lost the deal as a result. Why can't Realtors be a bit more flexible?

Answer: I imagine that you are yourself employed, or have been at some time. How would you feel if your employer asked you to cut some of your salary because business was bad in a particular month?

The laborer is worth his wages, agreed upon as a condition of employment. The time for negotiating brokerage fees is when you hire a Realtor, not when he is half way through the job. If your deal fell through, it was because the buyer and yourself could not compromise on price, not because the Realtor would not reduce his commission.

Your Realtor signed a contract for services for a specific remuneration and this was a contract between you and the Realtor. Do not confuse that contract with the one your Realtor is helping you put together for the sale of your Real Estate. Both are legally binding once signed.

Dear Dave: When buying a condo how do you know whether pets are allowed? I am afraid of signing a contract if my two dogs can't go with me.

Answer: Ask your Realtor to find out what the rules are regarding pets. These can vary in different condo developments. In any event, you must be given a "Resale Certificate" before you close on any condo purchase.

Under the Uniform Common Interest Ownership Act of Alaska, a condominium owner must provide a full disclosure of the Homeowner's Association to the buyer. This hefty document, containing all sorts of information about the Association, including by-laws and house rules, is prepared by the Association Manager. It is called a Resale Certificate.

Under the same law, the buyer has 5 days to review the Resale Certificate and, if not completely satisfied, can rescind the contract to purchase without penalty.

Dear Dave: We are looking for a house to buy in Eagle River and we want to have our friend, who works construction, inspect the roof. Is this allowed or must we use a regular home inspector?

Answer: You can have anyone you like inspect a property, or even several different people, provided your contract allows.

The typical inspection provisions of the agreement state "Seller to approve Buyer's selection of a qualified professional prior to inspection. Such approval will not be

unreasonably withheld.” The standard wording also says that the Buyer shall have a “licensed contractor” or “other qualified professional” inspect and investigate the property.

I strongly recommend you be sure to read your contract carefully. The words of a contract can be changed to reflect your terms, but many people sign an agreement and want to do something different afterwards. Unless you write a special Addendum, your friend may not be able to inspect the roof, unless he is a licensed contractor, and approved by the Seller.

It is absolutely essential to obtain agreement on who will be conducting inspections prior to entering into a Real Estate transaction. Sellers can be sensitive about who is crawling about their property looking for defects.

Dear Dave: Why do mortgage companies insist on collecting property taxes with the monthly payment?

Answer: Lenders are at risk if property taxes are not paid. The local Municipality or Borough, as a semi-government organization, can lien a property for unpaid taxes. This lien takes a position ahead of any lender.

Therefore, if taxes are not paid, the lender’s security interest in the property is weakened. This is why lenders like to collect the taxes from you, and make the payment when due, on your behalf. However, if you put 20% or more down, and have good credit, you can sometimes argue that you will pay the taxes yourself and not include them in the monthly payment. This arrangement must be negotiated when applying for your loan, not later.

Dear Dave: We are selling our home but need to stay in the house a few weeks after closing. Is there a way to do this?

Answer: Just as some buyers need to move into their new home before closing, so some sellers need to stay on after closing.

Your Real Estate Licensee can make arrangements for either with appropriate documentation, safeguards and security deposit. You should keep in mind that your buyer may not agree to this as they have priorities of their own.

Seller’s occupancy after closing is best negotiated at the time you receive the offer. Otherwise you are obligated to give possession to the buyer at recording of the sale. Liability is the biggest concern when occupancy agreements are arranged. You would be well advised to obtain legal counsel if you have any doubts about the risks involved.