

Anyone can add a listing to the MLS, YOU want MORE.

What to expect when you get an offer:

In our area most Buyers will request:

- Seller paid closing costs
- Termite Inspection.
- Home Warranty.
- Survey

They can ask for more or less, but this is on almost every offer.

Our market has been a Buyer's market for a long time. It is more of a Seller's market now and Buyer's are asking for less to be competitive to get the home. But the Buyer may still request items.

Most Buyers do not have the cash to pay closing costs. They have great credit and can get a loan to purchase a house. To sell property to the majority of the Buyer's in the area the Seller needs to be prepared to pay these expenses. The Appraiser takes the Seller paid closing costs into account when they set a value to the home. Some homes for sale advertise they will pay 3% towards closing, home warranty and termite inspection.

Seller paid closing costs: In this market the buyer asks, and most of the time receives closing costs. Most lenders tell their Buyer's to ask for it and that the seller will pay it. 3% of the purchase price usually covers it if the house is \$175,000 or higher. If the house is price lower the Buyer may request higher than 3%: recently I had someone ask for 5%. In a higher-priced home 3% may be too much and 2.5% will cover it. \$6000-7000 is what it takes for most properties: HOA, septic tank and well will increase closing costs.

If the Buyer does not request these funds they will probably offer less for the property. My most recent sale in Osprey they did not ask for seller assist but they offered/paid 15% less than list. As I said the expectation is there, the lenders tell Buyer's to expect it.

Termites: Most lenders will require a termite inspection and VA will require the Buyer not pay for it. The lender will require the invoice/receipt.

If the home has termites you cannot get a loan. If the inspection is positive for termites then the home must be treated. Often a lender will require an engineering letter verifying there is no structural damage.



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Home Warranty: I suggest to most sellers to just offer it. It will be asked for. You have a comeback when the buyer asks for something that the home warranty covers. Older HVAC/Appliances/Water heater or questions about electrical or plumbing: home warranty covers it. This may prevent them from asking for something after a home inspection. You may elect to have Seller Coverage as part of the home warranty. If the coverage is in place prior to a home inspection the Home Warranty may pay for the repair. Last year I had a Seller who had the Seller coverage. The home inspection stated the water heater may have a leak. Home Warranty paid for a new water heater; seller paid \$75 co-pay.

Appraisal: The buyer cannot get a loan for more than the appraisal. If the appraisal comes in low the Seller will have to lower the price or not sell the home. In some cases, the appraisal will live with the house and another Buyer will have access to it. Also, if the appraiser states something has to be done to the house in order for the Buyer to obtain a loan, then it has to be done. These would be things that make the house unsafe, not sound or hazard in the opinion of the appraiser.

Survey: Some title insurance will require a survey. If the Seller has one that is less than 10 years old, then it may be used. Sometimes the attorney can find one. If not, a new survey will have to be done or there will be an exception on the title insurance. Some Buyers/Lenders are okay with a title insurance policy with this exception other are not.

Elevation Certificate: Is required for flood insurance. If the lender determines the property may be in a flood zone they Lender will require an elevation certificate. If the property looks wet when the appraiser is there they may tell the lender an elevation certificate is necessary. Tax records indicate if the property is in a flood zone or not but the only way to really tell is a with an elevation certificate.

Earnest Money: Is the funds the Buyer puts up as a security deposit on the home. The funds are held in an escrow account. The funds will go towards the purchase of the home. If the Buyer backs out at the last minute the Seller keeps the earnest money. Last minute meaning past due diligence period and past financing contingency.

Due Diligence: Is the number of days the Buyer has to inspect the property. If they decide to back out during this time the earnest money is returned to them.



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Home Inspection: The Buyer will usually get a home inspection during their due diligence period. If the inspector finds anything the Buyer may submit an amendment to address concerns requesting repairs. This is all negotiable. If the Buyer is not satisfied they can terminate the contract and get their earnest money back. The Seller legally has to disclose there was a home inspection and what was on it to any prospective buyers. Seller should update the Seller's Disclosure with information from the inspection.

Financing Contingency: This is the Buyer's safety net, if the house does not appraise or they cannot get the loan they can terminate the contract. There will be a number of days in the contingency for the Buyer to secure a loan. If they are denied during these days they get their earnest money back. If the house does not appraise and seller does not lower price, they get their earnest money back

Septic tank or Well: If the home is serviced with either the Lender may require an inspection, often at the Seller's expense. Septic tank will need to have been pumped in the last 5 years and a receipt for an inspection by County Health Dept. If you had the septic pumped please find the receipt.



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