

Assembling a real estate team



Closing Thoughts

By **JIM YOUNG**

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As I write this in early May, spring (otherwise known as those two or three pleasant days we get here in southeastern Connecticut before the mercury and humidity head toward 90) has finally arrived.

Spring is the season more than any other that moves buyers and sellers to take action. So it is timely for us to think a bit about the home buying process. Buying a home is often (not always) a nerve-wracking, anxious period of time, even for those who have been through the process a few times. Like many things we do infrequently, by the time we go through the process for a second time, we seem to forget much of what we learned the first time.

So let's review a few things. These points may be most helpful to first time buyer and sellers, but they may also refresh some memories for those who are more experienced (OK, older).

For most of us, buying or selling a home is the largest purchase we'll make in our lives. Well, for some of us the largest expenditures in our lives may be paying for our children's educations; but that's a different column.

So, the best advice for all of us is to be an "educated consumer." Unfortunately, there are many different things to learn before you can reach this point. Most of us hire professionals to get us through the process without fatal mistakes. But even with professionals, there are things we each need to know as we go through this process.

Some of them are more obvious than others. Maybe you are looking for a neighborhood that's appropriate for children. Or maybe you are looking to move to a community that can provide independent living,

with transition to assisted living and skilled care if these prove necessary. There are many, many things to think about.

Hopefully a few of the thoughts set out here will be of some assistance to you as you begin this journey. Let's look at some of the people who will be on your "team."

How involved different team members are can depend on the property. For example, your insurance agent is an important member and particularly so if your property is on the waterfront or in a flood zone. It is a good idea to talk to two or three different prospective team members for each position, to determine not only their expertise but also whether they are someone who you feel comfortable with. The time invested in this step will pay dividends, especially if any difficulties arise.

If you are a buyer, one of the first people you meet may be a prospective lender who will help you determine how much of a home you can afford. Interest rates remain very low, motivating many people who expect to be in their homes for lengthy periods of time to choose fixed rate mortgages. I remember the interest rate on my first home was 14.5 percent in 1983; of course, the home only cost \$44,000.

Another player, in most transactions the primary player, will be your real estate agent. You will find agents in three different roles: an agent who exclusively represents the interests of the seller, an agent who exclusively represents the interests of the buyer, and a "dual agent" who represents both the seller and the buyer. This last role may arise where an agent brings a client to a home he or she is the listing agent for. There are also "designated agents," who are special types of seller's agents and buyer's agents.

If you are asked to consider a dual agency arrangement, you should spend some time finding out how the actions and duties of the agent concerned will be different than if each party is represented by separate agents. See if there are any alternatives to what is being proposed, and review the disclosure form that will be provided to you. Some think this relationship may not be a good fit for all buyers or sellers, since it restricts some of the things that an agent might otherwise do for his or her client. The important point here is to be mindful of the role an agent is in.

Each of these types of agency can work well if you fully understand how the agent's

role may impact how they do their work and adjust your actions accordingly. Of course, you should not sign any document unless you understand the document fully and are comfortable with it.

If you are a buyer, another important person on your team will be the property inspector. It is very important that any home you put under contract is thoroughly inspected. But do not expect sellers to be much interested in hearing about asserted deficiencies, unless the reported problem was not reasonably apparent to the buyer when they did their pre-contract visits. Sometimes it seems buyers want used homes to be as perfect as new homes, and generally that leads to problems.

As with nearly anything these days, you can get a lot of information by a simple Web search. You can find helpful tips at the websites for the Connecticut Department of Consumer Affairs, Connecticut Association of Realtors, and Eastern Connecticut Association of Realtors.

And last but not least? The lawyer, of course.

In Fairfield and Litchfield counties, the seller's lawyer usually prepares a contract after the agents have secured a binder between the parties. In other parts of the state, the buyer's agent commonly prepares the contract and the attorney's work is limited to the closing process (with most work done after the lender has committed to lend, and the parties have resolved all issues as to inspections and condition of the property).

Many attorneys are willing to meet pro-

spective clients at no charge to discuss the contract with them. If done before the contract is signed, this meeting allows the attorney to comment on the proposed form of the contract. Certain types of situations suggest broader involvement by the attorney; for example, short sales and transactions involving estates or trusts, or where a foreclosure occurred, or where a property is in a high-risk flood zone or a continuing care community.

You can call me old fashioned, but I think parties to real estate contracts should read them thoroughly before they sign them, and ask questions, and not simply rely on someone else's description of the document. It can be very helpful if each party makes an outline or flow chart of the critical dates. These include the mortgage contingency date, inspection contingency and negotiation dates, and deadline for approval of condominium documents. Such a chart allows the parties to keep an eye on things, and can prevent a loss of rights from a critical deadline passing without any thought.

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