

Top Legal Mistakes to Avoid

The process of buying or selling a house seems to involve a million details. It is important that you educate yourself on as many parts of this process as you can—this knowledge could mean the difference of thousands of dollars in the long-run. The legal issues involved in the process are often particularly intricate, ranging from matters of common knowledge to subtle details that might escape the untrained eye. Any of these issues, if not handled properly, could develop into larger problems

With so many legal issues to consider, your first step should be to seek out experienced professionals to help educate you and represent your best legal interests. Begin with an experienced real estate agent, who can help guide you through the initial hoops. S/he should also be able to point you in the direction of a reputable local real estate lawyer to assist you in all legal matters involved in the purchase or sale of your house.

While there are countless legal details involved in a real estate transaction, some seem to pose larger problems than others. We've outlined two legal clauses that are commonly misunderstood and may cost you money if not worded correctly. Handle these carefully and you will be on track to a successful sale or purchase!

1. Home Inspection Clause

Some real estate transactions have been sabotaged due to the wording of the home inspection clause. This clause originally allowed that the buyer has the right to withdraw their offer if the home inspection yielded any undesirable results. However, this allowance was known to backfire, as Buyers took advantage of it, using some non-issue stated in the inspection as an excuse for having changed their minds. Of course, this was unfair to the Sellers, as they'd poured time and money into what they believed was a sure deal. Not only might they have missed out on other offers in the interim, but their house might also now be unfairly considered a "problem home." Additionally, they'd now have to shoulder the costs of continuing to market the property. All of this adds up.

In order to remedy this potential problem, the clause should indicate that the seller has the option of repairing any problems the home inspection might point to. With this slight change in the clause, both buyer *and* seller are protected.

To ensure this clause is fair from one side of the bargain to the other, work closely with a lawyer experienced in these transactions and all the nuances that may affect the outcome for you.

2. Survey Clause

It is the right of a home buyer to add a survey clause to the real estate contract on the home they'd like to purchase. If you are on the selling end of the contract, be aware.

If you have added an addition or a pool to your property since the last survey was produced, your survey will no longer be considered up-to-date and the Buyer may request that a new one be drawn up—the cost of which you will incur. The price of this process will run anywhere from \$700 to \$1000.

Your real estate agent has the responsibility to provide you with the most recent survey of your home. It is then the Buyer's right to decide if it is acceptable. An experienced agent should offer you reliable counsel if you encounter an issue with this clause, but it is advisable to talk to your lawyer if you're unsure at all of the potential ramifications involved. Remember, the wording of this clause could cost or save you thousands of dollars.