

Sales volume raises risk of closing snafus

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The Greater Nashville Association of Realtors' May sales data show sales continuing to rise.

There were 3,558 closings, up 15.6 percent from last May. In comparison, there were 1,783 closings in May 2009. So closings have almost doubled since the Recession. And, as everyone knows, inventory has dropped dramatically.

Pending sales are up as well, with 3,370 pending at May's end, compared to 3,108 last May.

In the past few weeks, we have discussed lack of inventory and the consequences of the inspections. Now there is a new threat to all this prosperity: Lenders are running behind.

And with the appraisal management companies handling the appraisals, lenders have no control over that side of transactions, and some have little influence over their underwriters.

That is especially the case when the underwriters are not local and will never cross paths with the buyers, who sometimes find themselves moving into hotels with their belongings in a moving van parked in a warehouse.

Now, most funds are wired and then, in some cases, only after the lender has reviewed the signed documents.

In domino sales – in which Buyer A is buying and house and selling his to Buyer B who is selling to buyer C – there can be issues when B's lender does not wire the funds to B's title company. The seller won't give B possession until that seller has B's money. Then, Buyer C can't move into B's house as B has nowhere to go.

But B has sold his house and has C's money, so he must go. B has signed all the documents and wired his cash into the title company's account, but his lender has not.

This really stinks on Friday afternoons. There are instances where by the time the lender releases the funds and presses the wire button, the Fed is closed and the wire will not hit until Monday.

In that example, all bets are off.

Although all of the buyers and sellers did exactly what was asked of them and signed everything put under their respective noses, no one has closed anything until the lender signs.

Has anyone tried booking a hotel in Nashville lately? I hear Manchester is nice this time of year, unless Bonnaroo is in full swing, then maybe Dickson works.

Oops, it's time for the Country Music Festival, the NRA convention, SEC tournament or NHL All Star game. Growing pains.



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Sale of the Week

Over the past six years, horizontal property regimes (HPRs) have become enmeshed into the lush landscaping that divides the units and have led the local market out of the doldrums of the Recession, and not without their share of criticism.

HPRs are the LeBron James of Nashville real estate: No matter how well they perform, there are those that love to hate them.



HPRs are their own double double in a way. They not only double the number of homes on the lot, but they double the property taxes.

In some isolated cases, they can be triple triple or even quadruple quadruple when three or more are gathered. They also double, triple or quadruple the property taxes, and they can double the number of people living there although that is not always the case.

The property located at 3619 A Mayflower Place is an HPR with 3,170 square feet, the same as its sister unit next door.

Combined, the homes provide 6,340 square feet of living space, compared to the 1,286 square feet of the duplex that once proudly carried the 3619 Mayflower Place banner to the tax assessor's office.

When the 1,286 square foot duplex lived there, Metro collected \$4,481 in property taxes, as the property was appraised for \$248,000 and taxed at the commercial rate. Now, even though the rate is lower as both units are single family, the coffers will be padded by approximately \$15,000 as the unit sold for \$649,000.

The property was listed by the well-known culinary philanthropist Thomas Williams of Tarkington and Harwell. Williams is one of the founders of the annual Nourish event that he began in 2010 as an event called "Taking Nashville to Higher Ground," a means to help victims of the flood of 2010.

The Nourish dinner was held earlier in the week and raised over \$100,000 as top chefs from the city donated their talents to help feed the hungry. A top Realtor in his own right, he is also co-founder of Cornbread Consulting, a firm that works with members of the Southern Foodways Alliance.

It goes without saying, but I will anyway: Williams buyers are always treated to the best secret eateries around town as he shows them houses. After all of this wonderful, but not-so-fine dining, many buyers are saddened when he actually locates houses for them, as the off-the-beaten-path, ma-and-pa diners evaporate from their diet.

With his background, it is no surprise that he began his description of the house with the dining room and noted that the rooms has coffered ceilings and added there are subway tiles in the kitchen along with a gas stove, of course. You can take Williams out of the kitchen, but you can't take the kitchen out of Williams.

He also noted the home has a tankless water heater that heats H2O for the three and a-half baths and, yes, the kitchen.

This home sold its first day on the market and, as he so often does, the ever-attentive Allen Perry with Benchmark beat the rest of us to the punch and delivered a buyer in a matter of minutes to the home located in Green Hills on one of the area's most popular streets.

Perry is no stranger to the podium having been recognized for numerous accomplishments in his storied real estate career.

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