

Not closing on time? Little issues can lead to big snags

Friday, October 31, 2014, Vol. 38, No. 44

Here is a scary Halloween tale: Many real estate transactions do not close on the actual date specified by the legally binding contract.

This is not a recent phenomenon and has occurred since the time buyers required funding by third parties to purchase homes.

A few years ago, a frustrated loan officer was being chastised by a Realtor for failing to deliver the money by the contracted close date.

“The contract says we close tomorrow! It is a legal document!” she exclaimed. “I am not a party to that contract” he retorted. And he was right.

The funding can be delayed for any number of reasons, including underwriters finding missing documents and requiring more diligence. With new regulations, appraisals and their subsequent review can slow the process.

These snags can be devastating and wreck moving plans that were set in motion weeks, even months, before.

In many scenarios, there is the domino effect in which House No. 1 closes and that seller becomes the buyer of house No. 2 and that owner buys house No. 3.

So, one morning, three moving vans park before three different houses and begin to load the furniture. When the sale of house No. 1 fails to materialize, the music stops and there are trucks with no direction home. When the houses will close is a complete unknown. Real estate is like a rolling stone. I, personally, prefer the Beatles.

Sales of the Week

There was a fire sale on Bancroft Place – off Hillsboro Road near Tyne Boulevard – last week, as two houses sold, both listed within a couple of months of each other.

18 Bancroft sold for \$3,735,000 within minutes of going on the market, and 22 Bancroft sold for \$2.7 million. That’s no fire sale, of course, but buyers often question why two homes on the same street would come on the market within weeks of one another.

“Is there something wrong with the neighborhood? Why is everybody selling?”





The house at 18 Bancroft features 8,777 square feet, according to listing agent Steve Fridrich, while Metro tax records have the house with more than 11,000.

For the record, the tax information has the house appraised for \$2,585,350, so they only missed by \$800,000.

In his remarks concerning the home, Fridrich notes the

following: “Fully integrated Creston/Luton system by P.A.V.E. utilizing CAT6 wiring.” I don’t know about you, but they had me at Creston/Luton.

Nonetheless, Fridrich describes the property as “an award-winning home” with four bedrooms, six full baths and three half baths on two acres. Based on Metro’s appraisal, the taxes on this manse run \$25,362.

Damon Price of Reliant Realty delivered the buyer to the home. Fridrich owns Fridrich and Clark Realty.



Next door, veteran Realtor Marty Warren of Fridrich and Clark’s Brentwood office listed 22 Bancroft and sold it in 86 days, list date to close date, with Christy Bradley, one of the group of young budding stars, delivering the buyer.

Bradley worked with the William Morris Agency before entering the real estate field seven years ago and often represents those who derive income from the entertainment field.

This home was listed for \$2.9 million and sold for \$2.7 million, even though Metro had its 12,802 square feet appraised for \$2,892,800.

This house has four bedrooms, six baths along and two half baths. If these two sales are representative of all of Bancroft, the denizens are quite clean with 1.5 full bathrooms for every bedroom, and three and two half baths, respectively.

Warren’s description of the house gave a shout out to the architect, being billed as a “Romanesque villa designed by Mitchell Barnett.” The taxes on this home are \$28,368, \$3,000 more than the house next door that sold for \$1 million more.

As buyers participate in this chaotic market, they often attempt to bring order into the fray. Many attempt to cite historical sales data in the neighborhood, and most require comparable sales information before submitting offers.

The past week in Bancroft substantiates the market's fickle nature and rankles those with calculator and tape measure in hand as they work to determine values.

In Bancroft, on the same street in the same week, a house with 8,777 square feet sold in a day for \$3,735,000, and another with 12,802 square feet sold in 86 days for \$2,700,000. So much for price per square foot in determining value.

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