

Appraisals, inspections getting more complex

Friday, December 19, 2014, Vol. 38, No. 51

As if things were not crazy enough in Nashville real estate – with inspectors now writing 50-page reports with scores of photographs, underwriters overwriting and overriding, new disclosures and disclaimers proliferating the transaction – appraisers are requiring more and more documentation.

As more pending sales are falling by the wayside these days, the pace of the market has thrown the chronology out of sorts and synch. Nowadays, lenders await the conclusion of the inspection period and negotiations before ordering the appraisal, as lenders have witnessed firsthand the carnage of the inspections.

Once the inspection and the ensuing repairs are laid to rest, the appraisal is arranged through the appraisal management company – don't get me started – and the appraiser is hired to determine the value of the property.

It is difficult to comprehend the scrutiny they are now under. That pressure seems to have increased lately since they are serving as home inspectors for many homes.

In one transaction in Sylvan Park, with an absentee owner of a vacant house, the inspector required the owner have the home connected to Metro Water so that the plumbing could be inspected.

The inspector inspected and the plumbing was fine.

Then someone – not the owner in California – turned the water off in the crawlspace, not at the meter.

Along comes the appraiser, whose appraisal is contingent on a licensed plumbing company coming to the property, turning the water on and writing a letter certifying that the water is on. What happens if there is a freeze in the 10 days prior to closing?

Another issue many buyers are encountering these days is the presence of radon in homes.

“The Surgeon General has warned that radon is the second leading cause of lung cancer in the United States,” according to John Watkins of Nashville Home inspections. He adds “radon is the natural breakdown of uranium in the soil.”

Greg Montrose of Advance Air, the radon guru, installs the majority of radon systems in homes in the area. The charges for these systems range from \$1,000 to \$2,000.



According to a top producing real estate sales team, 11 out of its 11 pending sales have high radon readings.

“The EPA advises that a radon gas levels of 3.99pci/L and higher, that a remediation system be installed,” Watkins says.

Montrose notes radon levels may be elevated in winter months with rain and low cloud cover. Consequently, homes tested and found safe in spring and summer months might have dangerously high radon levels in the winter. Let the buyers beware.

Sale of the Week

The condominium development at Wellington Arms was built in 1940 and is as close to New York apartment living as there is in Nashville. Over the years, the building has housed Amy Grant, Jim Varney, John Cowan, and a host of eclectic, wonderfully interesting true Nashville characters.



The venerable Hall Rosson of Freeman Webb Company recently listed a unit on the first floor that consists of 1,180 square feet, two bedrooms and two bathrooms. This property is one of the best in the history of this storied edifice with hardwood and slate floors along with Carrera marble baths, granite counters in the kitchen and marble in the bathrooms.

The sale price was \$225,000, or \$189 per square foot, a high number for the Wellington, but low compared to other developments citywide.

Missy Rodriguez Brower of Zeitlin Realtors, a person as full of charm as the Wellington, delivered the lucky buyer to the home that is located behind Stanford Square across from St. Thomas Hospital.

Of note is the quotation from Hal Rosson that “two pets are allowed, 14 inches from the shoulder, 25 pounds” thereby covering height and weight. I wonder if they have random weight testing.

Richard Courtney is a real estate broker with Christianson, Patterson, Courtney, and Associates and can be reached at richard@richarddcourtney.com.