

## **CAVEAT EMPTOR**

(Or, inspect your new home purchase carefully)

From the purchaser's point of view, not all real estate transactions have a happy ending. Shortly after taking possession some purchasers start to notice all the little things they missed when they first fell in love with the house.

The rose colored glasses clear up and cognitive dissonance (more widely known as "buyer's remorse") sets in. Noisy plumbing, holes in the drywall, stains on the carpet, extra dirt, horrid neighbors, dishwashers that leave spots - all these things take some of the shine off the new trophy.

Sometimes the unhappiness is caused by the vendor's chicanery or negligence. Usually, however, the problem is caused by the purchaser failing to adequately inspect the property or by neglecting to do sufficient comparison shopping before taking the plunge.

As a wise man once said, "choose your rut well, you'll be in it a long time". If he was talking about buying a house, he was right. Most people stay in their houses for at least five years and many stay a great deal longer. Sooner or later you are going to find out about all the drawbacks of your house and you might as well find out before you start to negotiate the price, if for no other reason than knowing the defects tends to give you a better bargaining position.

Why not inspect the house again? The buyers won't mind. They'll probably be delighted that you care enough to take a second look. Why not drive around the neighborhood and get a feel for the folks that may become your neighbors? See if your neighbors are motorcycle enthusiasts, amateur car repairmen or pit bull breeders. See if there are any schools nearby for your kids.

Real estate and motor vehicle sales are two of the last remaining bastions of "caveat emptor" (buyer beware). Despite all the legislation that attempts to protect witless consumers from all those nasty rascals in the market place, purchasers of real property are still pretty much on their own. Once the deal is done they seldom have any practical recourse against the vendor for the defects that are bound to start cropping up.

What recourse there is available is often impractical. For example, if the built in vacuum doesn't work properly, it isn't really sensible to take two or three days off work to go to Small Claims Court because your claim is probably only worth two or three hundred dollars.

So who is going to look out for your best interests if you don't? The answer is usually quite simple - no one. You can hire a realtor to act only on your behalf. That is usually a good idea since the buyer's commission is going to go to someone and it makes more sense if it goes to the realtor helping you than the realtor helping the vendor.

Remember, the buying and selling of real estate is part of the "real world". Some vendors move bureaus in front of holes in the wall, put furniture or carpets over stained carpets, shut off noisy toilets and paint over water damage stains. If you don't want to look behind the bureau or under the carpet or if you don't want to crawl up into the attic or under the crawl space, don't expect anyone to volunteer to go in there for you. Your own realtor will do it if you are serious about making an offer and if they won't, get one who will. Otherwise, do it yourself.

And don't expect the vendor or their realtors to volunteer information or point out defects. Their aim is to sell the property. Discovering the defects (and maybe getting the vendor to reduce the price because of them) is your job.

When you sign a standard form contract of purchase and sale you are agreeing to accept the property on the day of possession as long as it is "in substantially the same condition" as it was when you actually inspected it. If you are really dim, it must be "in substantially the same condition" as on the day when you were supposed to have inspected it. If you didn't inspect the place when you had the chance, how are you to know if it has changed when you eventually move in to take possession?

It has always been a source of interest and amusement to me that the same people who will spend hours and hours comparison shopping for a car or a dishwasher (or a lawyer, though how you compare quality on price alone is beyond me) will put in an offer on a house after only the most cursory of inspections. Luckily for them, most people keep their homes in good repair. Most people are also honest and rarely go to great lengths to cover up the defects. However, there is no substitute for doing your homework.