

# Unwelcome surprises

“**S**urprise!” says my youngest son, Jonathan, as he proudly presents me with a handful of grass and clover blossoms.

“Surprise!” says my oldest son, Garrison, as I notice that he has set the table in anticipation of the Chinese food I have brought home.

“Surprise!” says my husband, Mike, as he tells me about the anniversary plans he has put together. Surprises can be a wonderful thing.

Unexpected events classified as “surprises” occur all the time in real estate. A nice surprise can be finding out that a home you wished you had acted on has come back on the market. Discovering that the home you have picked out to purchase has termites would be a very unwelcome surprise.

Recently I had a client who had three offers on her house in one day, two of them for full price. What a nice surprise! Then, the home

inspection presented her with a few unpleasant surprises. We were working through those when she was hit by the biggest surprise of all. While figuring out how much she would make off the sale of her house if she paid for a few repairs, she discovered a pre-payment penalty on her mortgage. Well, how bad can that be? In this case, it kept her from being able to sell her house, even for full price. The penalty was for six months worth of interest, which ended up totaling nearly \$8,000. This figure, coupled with the other expenses related to the sale of property, would have required her to pay thousands of dollars at closing instead of making money on the sale.

A couple of years ago, buyers of mine had a home inspection on the house they wanted to purchase. The report revealed that a pipe under the house had become disconnected, and that everything the seller was



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washing down the kitchen sink was pooling in the crawl space. The excessive moisture caused fungus to grow on the floor joists. The sellers never had trouble with the sink draining, so they never suspected they had a growing problem in the crawl space.

Many surprises in real estate can be avoided. If you want to sell your house, consider having a home inspection prior to putting your home on the market. Over time, many homeowners become oblivious to little issues around the house. These multiple problems can add up to quite a long list that may be too much for sellers to pay for and too much for buyers to accept. Having the inspection first will keep everyone from being surprised later if problems are addressed early.

To avoid surprises after moving in, buyers should have a home inspection before they make a

purchase. A survey is also a good idea. Buyers should also stay in close contact with their lender throughout the buying process so they're not surprised by unexpected closing costs or paperwork late in the game.

Also, if you have a mortgage on the home you are selling, check your payoff amount and verify whether or not a pre-payment penalty exists before you list your home to make sure you can afford to sell it. Fortunately, my client with this problem discovered it before we were all at the closing table.

Surprises are welcome for birthday parties, gift-giving occasions and other special events. They're usually unwelcome in real estate transactions, and that's no surprise.

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