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Pros and cons of an "as is" home sale

By **ROBERT J. BRUSS**

Q I am a single mom (divorced) looking for a small cottage to buy where I can raise my son, age 6. We now live in an apartment where he has no room to play with his friends. My ex-husband provides regular support, thankfully, and we have a friendly relationship.

Through a friend where I work, I learned about a small house that will soon become available in an estate sale, but the executor wants to sell it "as is." My ex-husband says I should not buy it because the seller won't pay for any repairs. It needs some obvious work, but nothing major, mostly paint and cleanup. What do you think about "as is" home sales? — Vicky R.

A Most probate sales are "as is" because the estate executor usually has no knowledge of any defects in the property and doesn't have funds to pay for repairs. I've bought some incredible bargain "as is" houses. Most had nothing seriously wrong, other than the need for cosmetic work, such as paint, carpeting and minor repairs.

However, I recall buying an "as is" foreclosed house with major undisclosed plumbing and termite problems from a savings and loan association that I'm sure knew about the problems. I had no recourse because it was an "as is" sale, meaning the seller makes no representations and will not pay for any repairs.

I suggest you make a purchase offer on that "as is" estate sale house, contingent on your approval of a professional inspection.

deposit would be \$27,500. Isn't that rather high? — Carlos R.

A Yes. That listing agent, who represents the seller, was trying to get you to make a huge deposit so that you would be less likely to cancel the sale after the seller accepts your purchase offer. I can't blame the listing agent; however, from your viewpoint, a 10-percent good faith deposit is very high.

My suggestion is that you and your wife hire your own buyer's agent to represent your best interests. When no other agent is involved, the listing agent either represents the seller only or acts as a dual agent for both the seller and buyer. Either way, she is anxious to sell the home and could be working primarily for the seller, against your best interests.

If you're making a "low ball" purchase offer that's far below the seller's asking price, then a large earnest money deposit can often convince the seller to accept a low offer. However, in a normal home-purchase situation, a good faith deposit of 1 to 5 percent of the offer price shows you are serious. Purchase contracts often specify the deposit is to be increased upon the buyer's removal of contingencies, such as the mortgage appraisal and a professional inspection.

Q I own a commercial building in an undesirable part of town. The building is in good condition but a high-crime location. I need to sell because I am 76 and unable to manage it. The month-to-month tenant, a furniture store, pays rent on time but doesn't want to buy it. How can I sell this

trade." You might be able to make a tax-deferred exchange into a more desirable property. A sharp real estate broker can help you with such a trade.

Questions for the Real Estate Mailbag (© 2000 Tribune Media Services Inc.) Should be mailed to columnist Robert J. Bruss, Tribune Media Services, Tribune Tower, room 1408, 435 N. Michigan Ave., Chicago, Ill. 60611.

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