



Step 11: Make a Final Inspection

Escrow has been going smoothly because you paid attention and worked with everyone to ensure an easy close. A day or two before your close, you will make a walk-through inspection of your new house to confirm that everything is in working order and that you are receiving what you expected as per the contract. You like it because it proves the seller made all the repairs asked and placed the home in "broom clean" condition, meaning that there are no items left, the trash is picked up inside and out, carpets are vacuumed, and floors are swept.

If you have purchased a newly built house, the walk-through is a chance to see what is finished and what isn't. You might want to take a checklist with you (perhaps the same one used to look at houses) to make sure you check everything that needs checking. Anything that is not finished should be written down and given to the builder as soon as possible before closing.

You should test the appliances and mechanicals. Test some electrical outlets, turn on the heater and air conditioner, run some water, and flush some toilets. Open doors and windows. Make sure nothing is broken or damaged. Make sure that the fixtures you bought are in the house.

If you are not happy after the walk-through, you don't have to close. Notify the seller immediately and negotiate accordingly. You could delay the close, inspect again when the house is in working condition, and/or renegotiate repair costs at your discretion.

Once you approve of the house's condition, you may proceed to closing day.

A Word on Possession



Closing day may not necessarily be the same as possession day. The day you may move in is usually discussed in the contract.

For the seller's safety, possession day is typically the day **after** the close. This gives the seller a little safety time for unexpected problems. If you have agreed for the seller to stay in the house longer, you should negotiate a rent payable to you. Generally, daily rent is calculated as your monthly principal, interest, taxes, insurance and utilities divided by thirty plus a premium to motivate the seller to move out as quickly as possible. The total rental amount will be credited to you at closing. Be careful with allowing a seller to stay in the house very long. Once the closing takes place and the seller has received the cash proceeds, it may be much more difficult to get the seller out of the house.

It is not standard practice for buyers to take possession before closing day. If you request that, the seller will probably ask for quite a bit from you. S/he may require that the entire down payment be placed in escrow. S/he will charge you rent, and it will be high enough to encourage you to close quickly. Generally, unless you really must take possession because of a peculiar situation, you are better off taking possession after the close.

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