

Real Estate

Your guide to homes, property and apartments in Johnson County

REAL ESTATE LAW

Professional advice reduces stress during real estate transactions

Buying or selling a home can be extremely stressful and may expose you to the risk of litigation. But, seeking advice from an experienced real estate professional during your next move is the key to reducing stress and making low-risk decisions.

Licensed real estate professionals are governed by laws that regulate their actions and require them to perform specific tasks depending on whether they are representing the seller, buyer or both. Yes, Indiana law permits a licensed real estate professional to act as a "limited agent" and represent the buyer and seller in the same transaction if the agent first obtains the buyer's and seller's written consent.

Limited agency typically only benefits the agent, but there are some situations where it might benefit the buyer and seller to use one agent to document terms they have already agreed upon.

Generally, buyers and sellers have competing interests, thus, licensed professionals are required to disclose in writing the type of agency relationship they intend to enter into before you disclose to them confidential information such as what you will pay for a particular property. This required disclosure is referred to in the real estate industry as the agent's "office policy." You should read and understand the agent's office policy and agree to a specific type of agency relationship before you seek advice concerning your proposed purchase or sale and before you disclose the reason you are moving.

There is some information that a licensed professional can provide before you need to enter into an agency relationship. A free market analysis is a valuable piece of information that can be prepared without you having to disclose confidential information. A market analysis compares the home you intend to sell or purchase to other homes that have sold in the immediate area and will provide you with an accurate analysis of what the home is worth and the number of days you can expect the home to be on the market at a particular price.

If you are selling a home, and a licensed professional has calculated your home's estimated market value, you will probably want their assistance marketing the home and locating qualified buyers.

Typically, the professional who prepared the market analysis will propose that you enter into a listing contract permitting them to list the home in the Multiple Listing Service and requiring you pay them a commission upon the completed sale. Listing contracts can be confusing and were designed to protect the agent's right to collect a commission, so consider the following suggestions when listing your home.

- Take your time and complete all sections of the listing contract properly. Ask the agent for advice on specific paragraphs that you don't understand.

- You should decide when the contract begins and ends. It doesn't have to last for a whole year.

- Be sure to list everything that is not for sale (e.g. the water softener you rent and the kids' swing set).

- The amount of commission payable to the agent is always negotiable. I prefer to add a sentence cutting the commission if the listing agent is acting as a limited agent by representing the seller and the buyer. You might also consider negotiating a flat fee for brokerage services rather than a percentage of the sales price.

- Listing contracts often



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contain a paragraph stating that you consent to the limited agency relationship. If you don't wish to permit your agent to act as a limited agent, then draw lines through those sentences and have the agent initial next to the change.

- Maybe you have already shown the home to an interested buyer. If so, then you might want to include a provision reducing the commission payable to the agent if that person purchases the home.

- You might want to add specific provisions directing the agent to perform certain tasks such as having an open house one weekend day per month or preventing the agent from showing the home during dinner hours.

If you intend to contact a licensed professional to assist you with purchasing a home, you might be asked to enter into an exclusive buyer's agency agreement that obligates you to use that particular agent when purchasing any property during the term of the agreement. There are other agreements that permit an agent to represent you in your efforts to purchase a specific property but without obligating you to use that agent again if the deal falls apart or you decide to purchase a different property.

Exclusive buyer agency agreements are becoming commonplace and may require you to pay an agent fees and commissions if you use another agent if there is no broker cooperation agreement on the property you purchase or if you purchase a home for sale by owner. So, ask for advice before you sign one of these documents.

The adage that "you get what you pay for" holds true with respect to licensed real estate professionals. For years, people have tried to find ways to avoid paying those large brokerage commissions and have even tried to use licensed professionals to list a home in the MLS for a small fee instead of entering into an agency relationship. Last year, the law governing real estate professionals in Indiana was revised so that licensed professionals have to provide certain required tasks for their clients in addition to listing the property in the MLS.

These duties include: being available to receive and timely present offers; assist in negotiating and completing real estate forms and various related forms until the time the purchase agreement is signed and all contingencies are satisfied or waived; and timely responding to questions pertaining to the property.

Some professionals provide just the minimum amount of assistance and others provide as much help as you would like. But don't make the mistake of thinking that you don't need help and that you can do it on your own.

Even if you sell or purchase a home "for sale by owner" you should seek advice when completing the Seller's Residential Sales Disclosure Form, preparing purchase agreements, handling earnest money and reviewing covenants and restrictions or title insurance.

Getting professional assistance with these complicated decisions will go a long way toward making your next move a success.

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HOME Q&A

What are the advantages of a third-party appraisal?

Builders Association of Greater Indianapolis

Q: Do I need an appraisal for my new home?

A: Homeowners, or potential homeowners, definitely need an appraisal done on their house by a third party, separate from the Realtor or builder. Subsequently, they can be assured that the price they are paying is in line with what they are receiving.

An appraisal is typically mandated by the mortgage company/lender when a homeowner borrows money for the purchase of a new or existing home.

For new construction, the qualified appraiser reviews the blueprints/plans/specifications before ground is broken, conducts inspections throughout the building process and money is then released to the builder based on the amount of completion at each stage of construction. An appraisal protects both the buyer and the lender.

A few of the many criteria that go into an appraisal are the quality of construction, the quality of the building materials,



the functional utility of the home (i.e. how many bathrooms and bedrooms included in the floor plan) and the marketplace or location.

For example, if a home has two bedrooms and the majority of homes in the neighborhood have five bedrooms, the home may not be able to compete in resale value and market time.

There are different types of appraisals, the most commonly used are the "full" appraisal and the "drive-by" appraisal. A full appraisal is far more detailed, involving an on-site inspection, measurements of the interior and exterior and includes color photos. The drive-by provides basic verification of the home type and is based on an inspection of the exterior and an assessment of whether it is typical of homes in the surrounding neighborhood.

Having an appraisal done on your home is extra insurance that you are getting what you paid for.

— Robert Behr

Behr Residential Appraisal Group



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McClain Newell Team



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Huge Back Yard!
You'll love this 3BR/2BA ranch on almost 1/2 an acre. Great room and an awesome deck overlooking the back yard. \$109,000. Call Norm McClain at 885-8840. (MLS 2662587)



Immaculate!
3BR/2.5BA in Valle Vista w/ porcelain tile entryway & kitchen. Huge wet bar in family room ideal for entertaining. Partially fenced backyard w/mini-barn. Oversized 2-car garage. Details on www.860carmen.com. \$189,500. Call Norm McClain at 885-8840. (MLS 2654280)



Like New
3BR/2BA condo w/ lots of space & natural light. Sun room, privacy fence & absolutely no maintenance. \$229,900. Call Norm McClain at 885-8840. (MLS 2659512)



Better Than New!
5BR CG home w/ the perfect floor plan. Main flr master suite, kitchen,brkfst & hearth rms open to each other. Library for quiet time. 4BR, laundry & living rms upstairs. Finished basement w/ exercise & family rms. \$599,900. Call Norm McClain at 885-8840. (MLS 2658105)



Location Is Everything!
Immaculate 3BR ranch in a great location. Large great room w/ french doors that lead to a multi-level deck and patio surrounded by lovely flower beds. \$129,900. Call Norm McClain at 885-8840. (MLS 2663425)



Spotless Patio Home
You'll fall in love with this spotless home! Soaring cathedral ceilings, fireplace, sun-room and more! Close to everything. New windows & siding. \$129,900. Call Lois Newell at 881-8552. (MLS 2702303)



Darling!
Cute and clean, this home features hardwood floors in all 3 bedrooms, big fenced yard, mini-barn and many updates. See www.3264stella.com for details. \$102,500. Call Lois Newell at 881-8552. (MLS 2674690)



Finished Basement
Brand new 3BR/3.5 BA in prestigious Kensington Grove. Maple cabinets, granite counters, hardwood & ceramic floors. Spacious and open floor plan. \$449,900. Call Dave McClain at 885-8840. (MLS 2673020)



Kensington Grove
Almost new 4BR/3.5BA w/ fantastic kitchen: granite counters, BI SS appliances, top notch cabs. Open Great Rm w/ 2-story windows, main floor master with elegant bath and full W/O basement. See www.3037aldwych.com for details. \$675,000. Call Dave McClain at 885-8840. (MLS 2703850)



Lakeside luxury
Beautifully decorated 5BR home w/ pool overlooks lake. Quality craftsmanship in a great setting! Details at www.463swatersedge.com. \$728,500. Call Lois Newell at 881-8552. (MLS 2657013)



Plenty of Storage!
3BR/3BA ranch in great Greenwood location. Large Great Rm w/ BI bookshelves, spacious bedrooms, separate laundry rm. Large fenced backyard w/ 36x18 inground pool plus min-barn for more storage. Oversized 2 car garage includes large storage area. \$165,900. Call Norma Massey at 796-6315. (MLS 2704535)



Immediate Possession!
4BR 2-story w/ fenced yard, deck & shed. Breakfast room has bay window. Master bedroom has 2 walk-in closets. Maintenance free exterior - all on a nice lot for \$153,300. Call Norm McClain at 885-8840. (MLS 2655784)



3 Car Garage
3 Bedroom ranch on a quiet cul-de-sac in Valle Vista. 2 BA, Sunroom, 3 car garage, inground pool and fully fenced back yard. Details on 695valleyoaks.com. \$199,000. Call Norm McClain at 885-8840. (MLS 2667786)



On Golden Pond
Relax on the screened-in porch overlooking pond in this spacious condo. Master BR has 2 walk-in closets and Great Room has a cathedral ceiling. Original owners have taken great care of this lovely home. \$139,900. Call Norm McClain at 885-8840. (MLS 2702563)



5457 Walnut - Center Grove
Great large private lot w/mature trees. Brick ranch w/ 3 bed 1.5 ba 2 gar W/O updated kitchen w/ natural maple Cabinets, newer roof, windows, doors. MLS#2665897. Call Today Anna E. Camden "ACE" 887-5297 vm 290-4357



Why Build?
Stunning, open ranch in Kerrington Proper w/ large finished basement on over one acre. 4BR/3BA, granite counters and barely lived in. Details at www.4971benthaven.com. \$550,000. Call Dave McClain at 885-8840. (MLS 2705628)

Call our expert listing agents on the property of your choice!



HAPPY HOUSE-HUNTING

If you're searching for a new home, use this helpful checklist to record important information about potential real estate purchases. This list will help you keep track of the various homes you've visited, so you can weigh your options and make a clear, informed buying decision.

	HOUSE #1	HOUSE #2	HOUSE #3	HOUSE #4
DATE VISITED				
OWNER'S NAME				
PHONE #				
ADDRESS				
LOCATION				
PRICE				
SIZE OF HOUSE				
SIZE OF LOT				
NUMBER OF ROOMS				
ROOF CONDITION				
HEATING/COOLING SYSTEM				
ELECTRICAL SYSTEM				
PLUMBING SYSTEM				
APPLIANCES				
REPAIRS NEEDED				
SPECIAL FEATURES				
FINANCING				
TAXES				
UTILITY COSTS				
SCHOOL DISTRICT				
NEIGHBORHOOD				
LIKES & DISLIKES				

THIS HANDY CHART IS BROUGHT TO YOU BY THE DAILY JOURNAL'S REAL ESTATE SECTION.