



# PROPERTY TRANSACTION GUIDE

## PROVIDED BY:

Bryce C. Jones, PC,

Broker, GRI, CRS Candidate

[bjones@sunriverrealty.com](mailto:bjones@sunriverrealty.com)

541.420.4018

1.877.OWN.BEND

Nola Horton-Jones,

Broker, CRS Candidate

[njhortonjones@sunriverrealty.com](mailto:njhortonjones@sunriverrealty.com)

[www.Bend-SunriverHomes.com](http://www.Bend-SunriverHomes.com)

541.420.3725

# INTRODUCTION

Buying or selling real property is a significant financial undertaking. You have taken an important first step by contacting a REALTOR® to assist you in your sale or purchase. REALTORS®, unlike other real estate licensees, subscribe to a strict code of professional ethics enforced by their peers. All REALTORS® pledge under Article 1 of the Code to promote and protect their client's interests and to be honest to all parties in a real estate transaction. To that end, this Guide is intended to provide both buyers and sellers with valuable information about the various relationships, obligations and responsibilities that can arise in a real property transaction.

Take some time to look over the following topics:

## **Common Real Estate Terms**

Definitions you will find helpful See Page 3

## **Agency Relationships**

How you will choose to be represented by your REALTOR® See Page 4

## **Property Disclosure Statement**

The seller's disclosure about the condition of the property See Page 5

## **Buyer Investigation**

The buyer's need to find out about the property See Page 6

## **The Sale Agreement and Earnest Money**

The legal document used to buy and sell real estate See Page 8

## **Closing the Transaction**

Purchase money, signing documents, and the deed See page 9

## **Professional Associations and Governmental Agencies**

Places to find more information See page 10

This Guide is not intended to take the place of communication between you and your REALTOR®. Open communication between REALTOR® and client is critical to a smooth transaction. Please consult your REALTOR®, or, if necessary, an attorney or an accountant, to obtain answers to specific questions you may have during the course of your transaction.

**This Guide is for your benefit. It contains important information about your responsibilities as a buyer or seller. Please read this Guide carefully.**

## Common Real Estate Terms

**“Agency”** The name given the legal relationship between an “agent” and a “principal.” May also refer to a governmental entity.

**“Agent”** A person who is asked, and agrees, to act on another’s behalf. Often used more generally to refer to anyone who assists others in a real estate sale.

**“Broker”** A person licensed by the state to provide professional real estate services to the public.

**“Principal Broker”** A person licensed by the state to operate a real estate office and supervise the activities of associated brokers.

**“Closing”** The process of winding-up a real estate transaction and transferring ownership. Usually conducted in “escrow” by an “escrow agent.”

**“Escrow”** A system of document transfer in which the documents are held by a neutral third-party until all conditions in a contract are fulfilled.

**“Escrow Agent”** A person who acts as the neutral third-party in an “escrow.”

**“Earnest Money Agreement”** A term sometimes used to describe the contract or “sale agreement” used in a real estate transaction.

**“Licensee”** Any person holding a real estate license.

**“Principal”** The person who empowers another to act on their behalf. In a real estate transaction, the buyer and the seller are the “principals.”

**“REALTOR®”** A licensed real estate professional who is a member of the National Association of REALTORS® and subscribes to a strict code of ethics requiring fidelity and honesty to clients and customers.

## Agency Relationships

### 1. General Nature of the Relationship

An agency relationship is a voluntary relationship in which one person, the “agent,” agrees to act on behalf of another, the “principal.” Because the principal can be held legally responsible for the acts of their agent taken within scope of the agency, it is important to both carefully choose the agent and make sure the scope of the agency granted is clearly understood. Choosing to work with a REALTOR® is a big step toward choosing the right agent. The scope of the agency granted will depend on the agreement reached between you and your REALTOR®.

To avoid the potential for misunderstanding, it is a good idea to spell out the agency relationship in writing. On the selling side, this is usually done in the “listing” agreement. Normally, a real estate broker will work directly with the seller. The listing agreement is a contract. It will spell out the principal’s and the agent’s duties and responsibilities. Once the property is listed, the broker becomes the agent of the sellers.

A buyer who wants to establish an agency relationship with a REALTOR® may enter into a written “buyer broker” or “buyer service” agreement with a broker. As with listings, the broker will work directly with the buyer. A buyer broker agreement serves basically the same purpose as a listing agreement - it sets out each party’s duties and responsibilities. Once a buyer broker relationship is established, the broker becomes the agent of the buyer.

Often, buyers will allow multiple real estate licensees to act as their agents without written agreement. This practice is legal, but may leave some doubt as to the scope of the duties and responsibilities of each agent. For that reason, buyers should ask about a written buyer broker agreement if they want a real estate professional to act as their agent in a transaction. Some REALTORS® specialize in representing buyers. Most REALTORS®, however, are willing to undertake representation of buyers or sellers or, with certain limitations, both the buyer and the seller.

A real estate transaction in which both the buyer and seller are represented by one or more agents from the same real estate organization who have the same supervising principal broker requires a written “disclosed limited agency agreement.” Disclosed limited agency agreements allow a buyer’s agent to work with both the buyer and seller when the property the buyer is interested in is already listed by the agent or another agent working in the same company and under the supervision of the same principal broker. Real estate agents can act for both the buyer and seller in such a transaction only if both the buyer and the seller expressly authorize the relationship by signing a disclosed limited agency agreement.

Under a disclosed limited agency agreement, the individual agent who lists the property or works with the buyer will continue to represent just the party with whom they already have an agency relationship unless everyone agrees the agent may personally act for both parties. Whether a single agent represents both parties, or different agents within the same company who are supervised by the same principal broker each represent one side, the supervising principal broker will act as disclosed limited agent for both parties. Your REALTOR® will discuss the pros and cons of disclosed limited agency as part of seeking your permission for such relationships.

## 2. Agency Disclosure Forms

Oregon law requires that licensed real estate agents provide each seller and each buyer with a copy of a statutory agency disclosure pamphlet prior to discussing the client or customer's specific real estate needs. The law is intended to avoid misunderstandings by requiring real estate licensees to explain agency relationships before substantive real estate discussions begin. Your REALTOR® will provide you with a copy of the pamphlet. Be sure to read it carefully and ask your REALTOR® if you have any questions regarding agency relationships.

**The initial agency disclosure pamphlet is for your information. If you enter into a real estate sale agreement, you will be asked to acknowledge that you received the pamphlet. At that time, you will also acknowledge the actual agency relationships involved in the transaction.**

### Property Disclosure Statements

Oregon law requires most<sup>1</sup> sellers of residential property to deliver a "property disclosure statement" to buyers who make a written offer to purchase. A disclosure is required only if the buyer, or the buyer's spouse, parent or child, intend to use the property as their residence. Under the law, residential home buyers have the right to withdraw from the transaction within a short period of time following receipt of the disclosure statement.

Disclosure requires the seller to fill out a questionnaire intended to reveal their knowledge of the condition of the property. The disclosure statement is delivered to the buyer at the time of the offer and becomes the seller's representations to the buyer regarding the condition of the property. Property disclosure statements are not a warranty or guarantee of any kind.

If the seller makes the statutory disclosure, the buyer will have five business days from the date of delivery of the disclosure to revoke their offer and have their earnest money refunded.

If the seller does not disclose, the buyer will have until closing to revoke the offer. However, no revocation rights under the disclosure statute survive beyond closing. The disclosure statute does not otherwise affect the buyer's contractual obligation to perform. **In Oregon, the property disclosure statement is made on a form mandated by law. A property disclosure statement is not a warranty of any kind. It represents only the seller's actual knowledge of the property at the time of the disclosure. Real estate agents cannot, and do not, verify the seller's representations or warrant the condition of the property. A property disclosure statement should not be relied on in place of an inspection by a qualified professional.**

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A few sellers are excluded from the disclosure statute. The exclusion, if available to the seller, will be claimed on the disclosure statement. You should direct any questions regarding exclusion from disclosure requirements to your REALTOR®.

## Buyer Investigation

### 1. The Need to Investigate

A house is a complex structure containing a number of important mechanical systems and subsystems. The value of property can be affected by the structural and mechanical conditions of the house. Property value can also be affected by government regulations, the absence of necessary permits, condition of the surrounding area, the state of the title, schools, the existence or lack of other government services, private restrictions or covenants and the needs and wants of the buyer. **Although the seller, and the seller's agent, cannot misrepresent the property or deliberately withhold material information, it is ultimately the buyer's responsibility to exercise reasonable care and diligence to ascertain discoverable facts important to their decision to purchase.**

Most owners do not have their property professionally inspected. For that reason, owners are often unaware of the actual condition of their home and its mechanical systems. Determining that condition is beyond the expertise of most home buyers. Real estate agents, whether they represent the seller or the buyer or both, do not have the required structural and mechanical expertise either. REALTORS® will exercise reasonable care when listing or showing property and disclose any defects or material conditions that would be apparent to a real estate licensee, but they are not professional inspectors and do not have the training and experience to assess the actual condition of the property. **Buyers must carefully consider obtaining professional inspections.**

### 2. Professional Inspections

Inspection by professionals is an important aid to both the buyer and the seller. Buyer and seller should each discuss their needs and wants with respect to inspections with their REALTOR®. Although not a complete list, here are some of the professional inspections typically available: (1) Structural; (2) Electrical; (3) Plumbing; (4) Heating and Cooling; (5) Well and Septic Systems; (6) Chimney and Fireplace; (7) Pest and Dryrot; (8) Environmental Hazards (including mold, radon, asbestos, and underground storage tanks); (9) Roof; (10) Exterior Siding; (11) Landscaping and Sprinklers; (12) Property Boundaries; (13) Size and Age of Structures; and (14) Geological Conditions.

**The buyer is responsible for determining what, if any, inspections they want and who to use for those inspections. REALTORS® are happy to share with clients the knowledge they have gained as real estate professionals. Many REALTORS® have compiled lists of qualified inspectors, and other consultants, who work in the area and will share these lists with buyers. The REALTOR®, however, does not warrant the condition of the property, make inspection decisions, or choose whom to hire.**

In addition to professional home inspections, buyers and sellers may also want to enlist the services of other professionals. For instance, an appraisal of the property may be required. A survey to determine the boundaries of the property or size and age of structures may be requested. If a buyer is concerned about environmental, geological or other hazards, special inspection or investigation may be necessary. **For instance, there have been cases of water intrusion and mold reported in Oregon. Sellers must disclose problems severe enough to affect the value or desirability of the property. Buyers, however, if concerned about water intrusion or mold, should arrange for inspection by a qualified professional.**

In some cases, it may be necessary to verify zoning and approved uses with local government officials. This is particularly the case in Oregon where land is subject to strict land use planning laws and regulations. Buyers should make certain that zoning, permits and access are consistent with their intended use of the property. **The buyer must make their agent aware of their plans, needs, and desires for the property.**

Well and septic systems, if present, should be given careful consideration. Sellers should provide, and buyers should ask for, any existing reports, logs or other written documents concerning well and septic systems. Septic systems and wells should be checked by a licensed professional to make certain they are properly sized for the dwelling and in good working order. For instance, a well can be “flow tested” to determine its present output. A buyer planning to change the use of the property or add more bedrooms should make certain the well and septic system is properly permitted and adequate for the anticipated use.

If a property is served by a private well, the seller will generally represent that the well has provided an adequate supply of water throughout the year for household use and, to the best of the seller’s knowledge, is fit for human consumption. Oregon law requires the seller to have the water tested for nitrates and coliform bacteria at the time of the sale. The required tests do not, however, address the quality of the well itself. The seller’s representations of the quality of the well concern the seller’s knowledge of how the well has performed in the past. They are not guarantees. There are no guarantees about water. Catastrophic events can and do occur that can change the well quality virtually overnight. Other events, such as development and drought, can affect the quality of an aquifer over time. Any test of a well is merely a snapshot in time and is not an indication of a well’s performance in the future. Any kind of well report should be viewed in this light.

### 3. Inspection Contingencies and Repairs

Inspection contingencies, and who will pay for repairs, are matters for negotiation between buyer and seller. Unless specifically obligated by contract, the seller will have no obligation to repair defects found during inspections. Unless specific warranties have been made, the buyer alone will be responsible for any non-material defects that occur or are discovered after closing.

Prior to making any offer, buyers should discuss with their REALTOR® the contingencies, inspection rights and repair obligations they desire. The buyer should also ask their REALTOR® about the availability and cost of home protection plans and other forms of insurance available to protect new owners after closing. Satisfaction with the transaction after closing will depend to a large extent on the buyer taking an active role in the transaction prior to closing.

### 4. Home Owner’s Insurance

Obtaining suitable home owner’s insurance can, depending of the loss history of the home, the buyer’s past claims history and even the buyer’s credit rating, sometimes delay or otherwise complicate real estate transactions. Most insurance companies now subscribe to a private comprehensive loss underwriting exchange (CLUE) service that allows them to access claims history about property and individuals. CLUE reports can have a substantial effect on the availability and cost of home owner’s insurance.

Seller’s may want to avoid surprises by checking with their insurance agent prior to listing. Buyers may want to check with their existing insurance agent prior to searching for a new home. Depending on the home they are interested in and their own credit and claims history, buyers may want to make obtaining satisfactory home owner’s insurance a contingency of the sale. **Buyers should apply for homeowner’s insurance at the very beginning of a transaction and not wait until closing to find insurance.**

## The Sale Agreement and Earnest Money

A contract for the sale of real property must be in writing to be enforceable in an Oregon court. **A verbal offer or acceptance, therefore, should not be made or relied upon.** Contracts for the sale of property are often called “earnest money” or “sale” agreements. They are legally binding contracts. Buyers and sellers should seek competent legal advice before signing any contract they do not fully understand. **Your REALTOR® is not an attorney and is prohibited by law from giving legal advice.**

The designation “earnest money agreement” stems from the almost universal practice of the buyer pledging a portion of the total purchase price (the earnest money) to the seller at the time of the offer in order to show both the ability to perform the purchase agreement and the intent to do so. Earnest money is usually held by the buyer’s REALTOR®, or an escrow agent, until closing. At closing the earnest money is credited to the buyer as part of the purchase price.

Sale agreements usually include provisions concerning who will hold the earnest money and under what conditions it may be refunded to the buyer or forfeited to the seller. Both buyers and sellers should carefully review these provisions with their respective REALTORS®. **The amount of earnest money pledged and the conditions under which it may be refunded or forfeited are important matters that should be carefully negotiated between the buyer and the seller.**

Most sale agreements are written using a standard form. In Oregon, REALTORS® generally use a form developed specifically for Oregon real property transactions. Buyers and sellers are free, however, to use any contract form they wish.

Buyers and sellers, not their agents, are responsible for selecting the terms and conditions of their agreement. Normally, a real estate transaction will require the completion of many acts by the buyer and the seller prior to closing. There is financing to obtain, inspections to be made and title reports to approve. The timing of these events, and any contingencies that depend on them, should be specified in the contract. The dates for closing the transaction and turning over possession must be set. **The REALTOR® can assist in preparation of the sale agreement but only pursuant to the client’s instructions.**

## Closing the Transaction

One of the important dates to be negotiated between buyer and seller is the date of closing. As a rule, real estate transactions are closed in “escrow.” That means the parties will select a neutral third-party licensed by the state to handle the paperwork required to transfer ownership of the property. In Oregon, most escrow services are provided by title insurance companies. These companies charge a fee for their service. This fee, along with other costs associated with closing the transaction, are called “closing costs.”

Closing costs are a matter for negotiation but the practice is for the costs to be shared equally between buyer and seller. Under certain federal loan programs, however, the seller may be required to pay most or all of the costs. Closing costs can be estimated but such estimates are just that, estimates. The actual costs of closing may be higher or lower than estimated. Closing costs should not be confused with the cost of obtaining a loan. Under federal law, the buyer’s lender must provide the buyer with an estimate of the cost of obtaining the loan.

Closing a real property transaction requires the cooperation of both the buyer and the seller. The escrow company will provide the parties with a set of standard escrow instructions. These instructions will detail the escrow agent’s responsibilities and set out how the transaction will proceed. Both parties must agree to the instructions and can modify or add to them only by agreement with the other party.

Typically, the closing date is set by the parties in the sale agreement. Many agreement forms, however, contain clauses that automatically extend the closing in certain circumstance (for instance when a loan is approved but the documents themselves are not available). Whatever the exact closing date, the agreement will usually contain a “time is of the essence” clause. What that means is that the parties have agreed that the time of the closing is a material part of the agreement. **Because the closing is made material, failure to perform as agreed may be considered a material breach of contract and entitle the non-breaching party to withdraw from the transaction.**

The basic exchange in a real estate transaction is the deed to the property in exchange for the purchase price. On or before the closing date, the seller must tender to the escrow agent a deed of the quality designated in the sale agreement (“marketable title”). This is typically done by the seller[s] signing a standard deed provided by the escrow company. The buyer, in turn, tenders the purchase price. This usually involves the execution of a number of financing documents. The escrow agent will apportion all the costs of the transaction and make certain all contingencies of the sale have been fulfilled or waived. Typically, the escrow agent will record the deed for the buyer and disburse the funds to the seller. Once that happens, the transaction is complete and escrow is closed. This may take place a few days after the “closing date.”

## **Professional Associations and Governmental Agencies**

Note: Information about the following organizations was correct at the date of publication, but is subject to change.

### **Engineering and Land Surveying of Oregon**

728 Hawthorne Ave., NE  
Salem, OR 97301  
(503) 362-2666

### **Oregon Association of REALTORS®**

P.O. Box 351  
Salem, OR 97308  
(503)362-3645

### **Oregon Department of Environmental Quality**

750 Front, NE  
Salem, OR 97301  
(503) 378-8240

### **Oregon Real Estate Agency**

1177 Center St., NE  
Salem, OR 97310  
(503) 378-4170

### **Oregon Department of Health Services**

Portland State Office Building  
800 NE Oregon #21  
Portland, OR 97232  
(503) 731-4031

### **State certified lead inspectors**

(800) 597-5323

### **Oregon Department of Water Resources**

158 12th St., NE  
Salem, OR 97310  
(503) 378-3739

### **National Lead Information Center**

(800) 424-5323

### **U.S. Department of Housing and Urban Development**

#### **Office of Lead Based Paint Abatement and Poisoning Prevention**

451 7th. Street, Room B 133, SW  
Washington, D.C. 20410  
(202) 755-1785

### **U. S. Environmental Protection**

#### **Agency**

#### **Public Information Center**

401 M Street, SW  
Washington, D.C. 20460  
(202) 260-2080

Questions and Answers  
About Buying  
New Home Construction

## QUESTIONS & ANSWERS ABOUT PURCHASING NEW HOMES

### **Do I need a Real Estate Buyer's Agent when buying a new home from the Builder or the Builder's Sales Staff?**

The Real Estate Buyer's Agent represents you as the 'Client' with all the fiduciary duties due a client. The Builder and his sales staff represent the interests of the Builder. Refer to the [Agency Disclosure Pamphlet](#) and the [Buyer Advisory](#) at <http://or.realtorplace.com/buyadv.htm>.

### **Will I get a better deal if I work direct with the Builder's Representative?**

No, the Builder's Representatives fee and the co-operating broker fee are built in to the sales price of the home. The sales price remains the same. The builder wants co-operating brokers to sell their homes, if he reduced the price to buyers coming directly to his sales staff it would hurt his relationship with the real estate community. In a market with so many new homes, that would not be a good strategy for the builder.

### **Why do some Builders insist on non-refundable earnest money? What does this mean to the Buyer?**

The Builder wants to know the buyer will perform on the sale. During the construction phase, the Buyer may select colors and certain amenities. This may be different than the general buying public would select. If the Buyer does not perform, the builder may need to make changes to sell the house.

In addition, the real estate market may change. An increase in interest rates, loss of jobs, etc. might make selling the house at a later time more difficult than when the original Buyer purchased the house. The Builder must pay holding costs until another sale closes. The non-refundable earnest money covers some of these expenses.

***What this means to You, the Buyer:*** The non-refundable earnest money is usually released to the Builder upon final acceptance of the purchase agreement. If, for any reason, you change your mind about the purchase of this home, you have forfeited your earnest money. This includes not qualifying for the loan. If you complete the sale, the earnest money will be credited to your down payment.

### **Why does the Builder want a non-refundable deposit for my upgrades/options?**

Depending on the policy of the Builder, Buyers may select upgrades and options to add to their new home. If the buyer does not complete the sale, the builder may have a house with amenities another buyer does not want plus the holding costs until another buyer is found and that transaction is completed. The upgrade/options deposit will be a credit to your down payment if the upgrades/options are included in the sales price of the house.

### **Why do I have to pay the lighting and flooring provider for these upgrades?**

The supplier often collects for the upgrade of flooring, counters and lighting at the time the Buyer makes these selections. This reduces the Builder's liability if the Buyer does not complete the sale. These upgrades are usually not included in the sales price and therefore not included in the loan. If your upgrades will be substantial, and you want them included in the loan, you must arrange this at the beginning of your purchase.

### **How long do I have to make changes to the house I am buying?**

Usually the Builder allows one to two weeks for the buyer to make all selections and changes as allowed. This time frame will vary, depending on the stage of construction.

### **Why doesn't the Builder let me make changes after that time frame?**

Changes after the initial time frame for changes cause problems for the Builder and the Buyer. Some times construction schedules need to be interrupted to accommodate another change. The sub-contractors are working on many houses at the same time, if you disrupt the schedule, they may not be able to come back in a timely fashion, thereby delaying other sub-contractors and ultimately the completion of your home. When changes dribble in during construction the chance for error exponentially multiplies. It is in your best interest to decide what you want from the beginning and stick with it.

### **Can I ask the Builder about a change if I see him on the job site?**

NO! This causes more problems than it's worth. The Builder says.....,You hear----- . The Builder has many things on his mind and may totally forget, or the price is different, or he said 'yes', but meant 'no'. Now everyone is unhappy. Always go through your Realtor® with any requests. It must be in writing on a Bid Request form or on an Addendum signed by Buyer and Builder. Remember, the more requests for change you make, the more potential delays you create.

### **Can I visit the job site during the construction of my home?**

Maybe. Some builders do not want the liability of the homebuyer being on site. Others allow you to view the progress of your new home. Here are some guidelines if you visit your new home during construction:

- Be careful!
- Do not ask the workmen to make changes, quote prices, or stop construction.
- If you notice a problem, let your Realtor® know!

### **What is 'Early Issue' Title Insurance? Who pays for it?**

Most lenders will require this additional title insurance to insure them against potential liens during the 75 day period after construction is completed. This additional amount will cost the Buyer approximately \$2.00 per thousand of the loan amount in addition to the standard Alta Title Insurance policy required by the lender. For more information about construction liens go to: [http://www.ccb.state.or.us/New\\_Web/contractors/new\\_leinfo.htm](http://www.ccb.state.or.us/New_Web/contractors/new_leinfo.htm).

Early Issue Title Insurance will not cover the buyer, only the lender. Some title companies will add buyer coverage at no additional cost if requested in the sales contract.

The Builder may select the "Early Issue Title Insurance" as one of the options under the current Home Buyers Protection Act. The builder usually only selects this option if the buyer is getting a loan. The builder is agreeing to buy the "Early Issue Title Insurance" for difference between the buyers' loan and the sales price. If the buyer changes to all cash the builder may refuse to close with that option and may select another of the options available to him. For more information on this act go to: [http://www.ccb.state.or.us/New\\_Web/contractors/new\\_leinfo.htm](http://www.ccb.state.or.us/New_Web/contractors/new_leinfo.htm).

### **What if my new home is not completed by the closing date in the contract?**

Usually the contract has a certain number of days after the closing date written into the contract. This allows the builder to complete the home past the closing date and still be within the contract. This time period allowance covers events not controlled by the builder such as delays in delivery of items, weather, government requirements, etc. Remember, you may be the cause of some delays, if you make changes to your home after the time frame allowed or if items you selected must be ordered. Confirm that your home completion is on schedule before you order the moving trucks!

### **Will the builder compensate me for the inconvenience and expense caused by the home not being completed by the closing date or even in the additional time allowed?**

Usually not, however, it will depend on market conditions. If the builder has buyers waiting for homes, he most likely will not compensate you for any delays. If the market is slow and he has inventory standing, he may be more flexible.

### **Can we move into our new home before it actually closes?**

That depends on the policy of your builder.

Some will not allow early occupancy under any circumstances, not even items in the garage.

Others will allow you to move in or place items in the garage if all documents are signed in escrow and collected funds to close are on deposit with escrow.

### **Do I need a Professional Inspection for my new home?**

Yes, I would recommend you have a professional inspection. Occasionally something is over looked, or maybe a furnace ducting is knocked loose and goes unnoticed. A professional inspection would catch these things so they could be added to the Builder's punch list during your walk-thru with the Builder. A word of caution, at times the inspector may point out something that should have been done different, in his opinion or according to code. Sometimes the inspector is incorrect. Your builder will discuss the items on the report with you. The inspection on a new home is not an excuse to cancel the contract, but to assist you and the Builder with the punch list on your home.

**What is a ‘Punch List’? Will everything on this list be completed before I move into my home?**

A ‘Punch List’ is created when the Builder and Buyer walk thru the home just before occupancy. Most items should be completed. If they are not, discuss when and how the items left incomplete will be handled.

Builders often have a ‘after sale’ procedure for the buyer to follow on items that need attention. Urgent items such as plumbing issues would be dealt with on an immediate basis.

**Is there an automatic ‘One Year New Home Warranty’ on my new home?**

No. Some Builder’s offer a ‘New Home Warranty’, others do not. Talk to your Buyer’s agent to make sure your offer to purchase includes the condition of the Builder providing a ‘New Home Warranty’. There are several warranty products available. Some cover a pro-rated portion of the home for a period of ten years, others cover only the first year of ownership.

Some Warranties will be transferable some are not.

**For additional information and assistance, please contact:**

Bryce C. Jones, PC

or

Nola Horton-Jones

Broker, GRI, CRS Candidate

Broker, CRS Candidate

Sunriver Realty

Sunriver Realty

[bjones@sunriverrealty.com](mailto:bjones@sunriverrealty.com)

[njhortonjones@sunriverrealty.com](mailto:njhortonjones@sunriverrealty.com)

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