

BETWEEN FRIENDS



Questions About Today's Real Estate?

Ask Phyllis!

What happens when the termite company fails to inspect?

Dear Phyllis,

After two weeks of negotiating back and forth with the seller, we finally opened escrow. The seller's Realtor® provided us with a copy of a termite report and a completion notice (one month old) showing that the termite work had been done. In one of our counter offers we acknowledged receipt and approval of the seller's termite report. My Realtor® recommended that we also have the home inspected by an inspector, which we did. Our inspector thought that there

was additional termite damage which was not reflected in the seller's termite report. What do we do now?

First time home buyer

Dear First Timer,

Congratulations on your successful negotiations. Typically your real estate contract would have provided you with a period of time to investigate the property, often anywhere between 10-17 days. I am assuming that you have not yet removed this investigative

contingency. Depending on when this contingency expires, you may need to have your real estate agent request an extension.

Ask your Realtor® to recommend a second (different) termite company to perform another inspection. If the second opinion is clear, end of problem.

If the second report indicates additional infestation: Did the termite completion provided by the seller state that the property was free and clear of termites? If so, depending on the length

of time of the first termite company's warranty, they may be obligated to perform any additional termite repairs or treatments at no additional cost to the seller.

Real estate purchase contracts typically note that the seller provide section I termite work. If there is additional termite damage found in the second report ask that the seller provide termite clearance as per the contract. If the seller does not agree, ask in a different way: that as part of your removal of

the investigative contingency that the seller provide section I termite completion. If the seller refuses, and you have not removed your inspection contingency you could cancel escrow and have your deposit refunded to you. The seller would then be bound to disclose both termite reports to any subsequent buyer.

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