

SOUND OFF *Jean O'Neill*

What is a contingency and how does it benefit the buyer?



Contingencies can run the gamut and basically offer a protected period of time for either the buyer or the seller (after an offer has been accepted) to investigate/inspect a property, obtain financing (mortgage contingency), sell their current property or for the seller to secure their next property.

Primarily, buyers add contingencies on an "Offer to Purchase" that can include: the inspection of building, septic, water and other areas as necessary. If an unacceptable condition pre-

sents itself during an inspection period the buyer typically looks to the seller to remedy (such as bacteria in water).

While the seller is under no obligation to remedy or credit the buyer for anything that comes up under the contingency period (usually about a week), the rule of thumb is if a condition comes up that is of a health or safety nature the buyer looks to the seller to make reparations.

However, bear in mind there is wide range of variables here and every single transaction is differ-

ent. If the seller feels they have agreed to a very fair price, they may lean toward leaving any buyer requests (whether under defined contingencies or not) to the buyer. Or if the seller feels the buyer has made a very good offer they may be more willing to remedy requests that come up.

On the sellers' side, they can make the sale of their home contingent on finding suitable housing — this allows the seller to secure their next property.

Contingencies can be drawn up in any number of ways. They are

a kind of appeal from one party to the other to allow for favorable conditions on everyone's behalf. If something comes up within the contingency period it allows all parties to pause and work toward resolution.

What we Realtors do best is to help a buyer or seller make educated decisions in both presenting and accepting an offer and the significant steps of the process thereafter.

*Jean O'Neill, William Pitt Sotheby's
International Realty, (203) 300-2332,
joneill@wpsir.com*