

“LEGAL TIPS FOR BUYING OR BUILDING A HOME”

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While the real estate market in North Georgia has not fully recovered, there are encouraging signs that the environment has improved as we enter 2014. None of us has to be reminded that from late 2007 to the present, the economy and particularly the real estate market suffered extensively. Devastating losses in the stock market, bank failures, job losses, foreclosures and declining property values impacted all of us, particularly homeowners, prospective homebuyers and those of us who made a career in real estate. Finally, there is some good news. My own real estate closing practice now sees more traditional sales and purchases as opposed to so many bank owned properties acquired through foreclosure and offered for sale at below market prices. Interest rates are favorable and due to the improving economic climate, people have more disposable assets.

Having stated such optimism, now more than ever, sound decisions need to be made by those who wish to purchase or build a home. Many of the problems that occurred in the past could have been avoided with more educated decisions. Buying a home is a huge decision and probably the largest investment many of us will ever make.

The first rule for a positive experience should be to utilize the professionals available to you. Before buying or selling a home consult an attorney who is a specialist in looking after your interests. An attorney can assist you with a title exam on the property which is an essential tool whether you are buying or building. Carefully choose a realtor. Ask for references and credentials. Use the internet to assist you in learning about the realtor's experience and education. Make use of other professionals such as home inspectors, surveyors, engineers, architects, contractors and insurance specialists and choose them using the same criteria as you would an attorney or realtor. The old saying “only the strong survive” certainly applies to realtors as well as other professionals. Those who are still in business today have survived the trials of the past few years primarily because of their professionalism and ethics. Make your own choices. For example, you have the right to choose your own attorney whether you are the buyer or seller in a purchase/sale. It is usually best to use a local attorney, local realtor and local lender who are familiar with particular issues relating to title matters, property owners' associations, covenants, easements, taxes and related matters.

Find out what you can afford by doing your homework in the beginning. Gather your basic information about your income, existing debt and credit information then meet with a lender to find out how much you can borrow. Add up the amount of savings you will need for your down payment and closing costs. In addition to the down payment there will be other costs involved in closing your transaction such as bank fees, insurance, property inspections, filing fees, taxes and reserves for escrow accounts to pay future taxes and insurance. Your lender will provide you with what is called a “good faith

estimate” of what these costs will be. Under current legal guidelines this estimate is very accurate. After you determine what you can afford your realtor or attorney can assist you in making a realistic offer on the property you ultimately choose.

Having a home built is a somewhat different ballgame. Again, seek help from a local attorney or realtor before contracting with a builder. Remember the rules stated above concerning what you can afford and stay within your budget. Choose your builder carefully and remember that the references the builder gives you are carefully chosen by him or her. Use other resources to thoroughly determine the credibility of your builder. Your attorney can assist you in checking to see if the builder has been involved in lawsuits, liens or credit problems. A reliable source is the local Contractors or Builders Association. Most of them have websites and the officers are glad to answer questions and assist you in making your choices. From first-hand experience, I know that the members strive to be competent, professional and ethical. Again, as stated above about the professionals you choose, builders who are still in business today are still here for a reason. They have weathered the storms because of their honesty and professionalism.

Despite all the problems of recent years, I am proud to say that the attorneys, realtors, lenders and builders in the North Georgia area are some of the best that our state has to offer. Make use of them and your buying, selling or building will be successful.

John Mahan is the managing partner of Mahan & Associates, Attorneys at Law in Ellijay, Georgia. He has practiced law for 32 years specializing in real property law. He and his associates, Josh Teague & Rebecca Kendrick, offer a full service law firm to handle all of your legal needs.