

Tips for Taking the Squeeze Out of Bank-Owned Home Purchases

By Will Johnson

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Making sure the seller has left utilities on is crucial to ensuring timely completion of home inspections

San Diego, CA. - With many novice buyers jumping into the market to take advantage of great deals on bank-owned foreclosure properties, many are unprepared for the time-squeeze imposed by the bank's custom real estate contract, which lacks a number of buyer-favored terms found in a standard real estate contract.

Offering the buyer a maximum of 17 days to complete inspections and remove contingencies means the buyer, who is already quite overwhelmed with the intricacies of the home-buying process, must act quickly or risk ending up with a home fraught with unseen problems that could have been avoided.

While it may seem impossible to comply with such a short contingency window, which often doesn't allow enough time for home inspections, there are a number of important tips home buyers, whether new or seasoned, should follow:

1. Work with a real estate agent experienced in purchasing bank-owned properties.
2. Request the full 17-day period for removal of contingencies determined upon receipt of signed contracts.
3. Have the seller pay for a termite inspection and ask that it be scheduled as soon as possible.
4. **For vacant properties, personally make sure all utilities are on before scheduling a home inspection. It is the seller's responsibility to have gas, water, and electrical services on and all pilot lights lit (verify by flipping light switches and turning on a faucet until the water runs hot.) A home inspector cannot perform a complete inspection without utilities, nor can an inspector light pilots.**
5. After confirming utilities are on, hire and schedule the services of a qualified home inspector.
6. Following the home inspector's report, immediately seek work estimates from the relevant experts for any problem areas turned up in the home inspection, such as cracks in the foundation, water or gas leaks, faulty wiring, termite damage, mold, wood rot, etc.
7. Go back to the seller with quotes in hand to renegotiate the final contract terms
8. For a condo/townhome purchase, request all your HOA documents, including meeting minutes, financials, and CC&Rs, prior to removal of contingencies

"The bank's tight window means home buyers can't afford to lose a single day. Neglecting something as simple as making sure the utilities are turned on can result in a false start for the home inspector, who cannot complete a proper inspection without them, causing the stressed-out buyer to lose precious days," explains **Will Johnson of Inspection Perfection**.

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About Inspection Perfection

Founded in 2005, Inspection Perfection offers complete residential inspection services, serving the entire County of San Diego. Services are available for all types of residential properties, pools and spas, as well as FHA and 203K construction inspections. The reports, provided digitally, include images, a summary, and detail sections. For more information, please call (888) 552-4677 or visit <http://www.sdinspection.com>

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Email [Click to email author](#)
Phone 888 552 4677
Fax 619 269 2093
Address 1010 University Ave, PMB #1865
San Diego, Ca. 92103
City/Town San Diego
State/Province California
Country United States