

## Having Appraisal Nightmares?

Winning the bid to buy a home is a great feeling during these crazy times with active listings attracting 10, 15, or 20 offers. Homes are frequently selling for \$300K (or more) over the asking price in the East Bay. Sellers may think they are secure when getting offers, waiving the appraisal contingency (usually all contingencies). However, agents are still sweating bricks prior to the appraisal. While unlikely, buyers may walk away from a deal rather than come up with an extra \$100K to \$300K above their down payment, because the property didn't appraise, even if, potentially, forfeiting their Deposit. Sellers are fearful of the stigma of putting their home Back on the Market if a buyer backs out.

Home values in the East Bay are going up about 1.5% or more per month, causing appraisal issues. How can agents prepare their sellers or buyers and what safeguards should be put in place?

Seller's/Listing Agents should be doing the following to help with appraisals:

Know the current value of their listing at the time of sale.

Grill the buyer's lender about buyer reserve funds and Plan B, to deal with appraisal shortfalls.

Try to get sale prices of Pending sales that may help with their appraisal.

Manage the sellers' expectations about offers that may not appraise.

Meet the appraiser at the property and provide them comps supporting the contract price.

Provide the appraiser with the number offers submitted.

Provide the appraiser with a list of recent improvements.

Ensure that the buyer's agent has a backup plan to deal with appraisal shortfall.

Agents and sellers should anticipate a roller coaster ride with regards to appraisal. Listing Agents must help their clients with a contingency plan to address appraisal shortfalls.

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### Cary Amo, Realtor

DRE #01104264

C: 925.818.0880

971 Dewing Ave.

Lafayette

[cary@caryamo.com](mailto:cary@caryamo.com)

[www.YourContraCostaRealtor.com](http://www.YourContraCostaRealtor.com)



## The dirty low down



Main Sewer Clean Out

Photo Jim Hurley

### By Jim Hurley

One service call that I consistently decline is a plugged sewer main. It is just one of those jobs best left for the specialist to perform. Although the topic is flush with opportunity to be crude, I will explain in the most sanitary language I can muster. So, for the sake of delicacy, please allow me to use the word "roses" as a euphemism for sewage.

How do drain lines get clogged? Sometimes something besides roses gets flushed down the line and plugs it. Sometimes tree roots penetrate seams in the line and clog it. Once it is clogged, the roses don't flow as easily and the line backs up.

A frequent call that I get is to fix a "leaking toilet." The first question is: "Where is it leaking from?" If the answer is "around the base," that means your sewer main is clogged with roses.

How do we know without looking? Because your drain lines are supposed to be empty. Despite the hilarious scenes of roses gushing up out of the sewer we see in movies and TV, there is never a time when roses should back up out from under your toilet. That pipe should be empty. The goose neck bend in the porcelain under your "throne" is a trap that holds enough water to prevent sewer gas from coming back up the pipe. The wax ring on a toilet acts as a seal to prevent air (not roses) from seeping out from under the toilet.

Another sign of a clogged main is when you flush the toilet and roses bubble up in the shower pan or bathtub. No fun, I know, but the problem is with your main line. This is where a handy homeowner might rent a snake and try to fix it himself. My experience has been that you could spend time and money on that with no effect other than to practice creative swearing and possibly get covered in roses. It is time to call a roofer service.

When my clients ask me to recommend a

service, I don't. Guys who deal with clogged pipes full of roses tend to come and go. The services will send the next available "specialist" and he may have three days or three years of experience. It's all luck.

What the service needs to know is "Where is your main Roses Clean Out?" (Should I have added that to my "New Home Primer" articles?) Most modern homes have a large, three-inch pipe with a cap somewhere outside near the foundation. The Roses Specialist runs a mechanical snake down the pipe, hoping to knock the plug out of the way and allowing the roses to run freely. By the way, that main line running under the house and under the ground to the city's main is called a "lateral line." It is how your house main connects to the city main.

If the specialist can't find the main cleanout, he can remove the toilet from its base and run the snake from there, for an extra fee.

If your specialist is unable to get the roses flowing again, that is indeed unfortunate. If the snake does not clear the line, they will talk to you about a possible break in the "lateral line." The better services will contract with you to run a video camera down the pipe. The camera is also connected to a transmitter that can be located from above ground so that the service can point precisely to the spot that the break in the line is. They will then negotiate a price to dig up that spot and fix the pipe. This is where you really want a second estimate.

One of my clients, an older single woman, once called me to say that the Rooter Service was there telling her that it would be \$17,000 to repair her lateral line. The salesman was insisting that she sign the contract immediately and put \$2,000 down on the service. I told her not to sign anything and get a second bid. The second company came in with a \$5,000 estimate and completed the job with no down payment. (I still get angry when I tell this story.)

Here's wishing your life is a bed of roses, just not this kind.

Jim Hurley is an independent handyman with over 25 years of experience in residential repairs. Hopefully this free advice is helpful to someone attempting Do-It-Yourself home repairs. The information presented is intended for informational purposes and for use by persons having appropriate technical skill, at their own discretion and risk.

