

# Buyer Beware!

I'm writing this column in part as a public service for any young faculty members who might be getting close to purchasing their first home, as well as for anyone who is relocating, upsizing, or downsizing.

I bought my first home during my fellowship for \$109,000, moonlighting at 4 different jobs to scrape together enough money. (The ACGME probably would not allow this anymore, but that is a topic for another day.) My most recent home cost much more money and has caused considerably more heartache.

Shortly after I accepted my position at Washington University in the spring of 2015, my wife and I came down to St Louis for a weekend to house hunt with a real estate agent who had been recommended to us. We had done a lot of looking online, so we had a pretty good idea of what was available. After a couple of hours in the car with the agent, I knew it was going to be a long weekend. You don't need your agent to inject opinions on colors, style, and closet placement. You need your agent to help you determine value based on "comps" (comparable sales) in the area, and to help you navigate the legal maze of home buying. She was super-opinionated and super-annoying. I moved from the front seat to the back to minimize our interaction. That was not enough. Mistake No. 1: We did not politely replace her.

We looked at several homes during that first visit. The inventory was not great, and the prices were higher than we were expecting. It did not take long to figure out that we needed to recalibrate our expectations. We found 2 homes that were acceptable but had significant weak points. We then found a home that was under construction. It was framed, but no drywall was up yet. It was pricey, but on a fabulous cul-de-sac with tons of kids. Our kids were 7, 8, and 10 at the time, and they were fairly traumatized by the prospect of moving. The house was not exactly what we wanted, but the cul-de-sac—with the potential for some "insta-friends"—seemed like the golden ticket.

The builder happened to be on site when we stopped by to look at the house. He took to us like butter to bread, explaining that we could pick out all our finishes, change the floor plan, etc. We noticed a big cement culvert running through the middle of the backyard, making a significant portion of the yard inaccessible. No worries, said the builder—he would remove the culvert and we would have a large, beautiful backyard. Mistake No. 2:

We never got that in writing. Our real estate agent asked the builder to knock \$20,000 off the price (the one useful thing she did), and he agreed. We told him we wanted a screened porch. No problem. OK, let's reassess: no good alternatives, cul-de-sac, able to select all finishes, able to modify floor plan, \$20,000 off the top, and bonus screened porch. Deal!

Fast-forward 4 months. We arrived in St Louis and drove to the house, expecting to close immediately and move in the following day. As we approached, we noted a large crew on site. Hmm. I walked into a mess. Unpainted. No light fixtures. No stove. No fridge. No microwave. Drywall dust everywhere. Filthy windows with no screens. Multiple things done incorrectly. And the backyard culvert still there. I was running hot. I demanded that the builder come over immediately, and I called the bank to say I was not closing on an unfinished house unless we escrowed some money. "Sorry," he said, "we don't do that. You had better work something out with your builder."

I told the builder I would not close on the house unless he gave me money to hold back. We dickered back and forth and finally settled on \$30,000. He promised me he would have the entire crew at the house and that it would be ready in a few days. I went to the title company the following day and closed. Mistake No. 3: Do not close on an unfinished house. The day after closing, the crew of 20 became a crew of 2. The interior of the house was not completed for 10 months. The yard and outside took 13 months, and that only after a lawsuit and eventually firing the contractor. We used the contractor's \$30,000 to hire other vendors to finish the work. I recently returned \$122 to him. I hope he had a blast spending it.

I work in a business where people are generally honest and trustworthy. This was a different world. Buyer beware!

Until next month ...



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