**Questions and Answers on:**

**DUE DILIGENCE**

**RESIDENTIAL BUYERS**

For publication by the North Carolina Real Estate Commission

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**Why is a "walk-through" important and what happens during it before closing?**

Before closing, the property developer or real estate agent will perform a "walk-through" of the property to ensure that all of the repairs and services promised by the seller have been completed and that the property is in the same condition as at the time of contract formation. Ideally, this inspection should occur after the sellers have removed all of their furniture, appliances, rugs, boxes, and other belongings to enable you to see the inside of the house that may have been hidden. Ask for copies of all agreements containing promises that have not been completed. As previously noted, closing usually constitutes a buyer’s acceptance of a property in its condition at the time of contract formation. Ideally, this inspection should occur after the sellers have removed all of their furniture, appliances, rugs, boxes, and other belongings to enable you to see the inside of the house that may have been hidden. Ask for copies of all agreements containing promises that have not been completed. At a cost of $0.00 per copy.

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Questions and Answers on DUE DILIGENCE FOR RESIDENTIAL BUYERS

Due diligence is a vital part of the home buying process. As a buyer, it is your responsibility to gather information about the property and surrounding area to help you to make an informed decision about whether to put an offer in on the house in your name. Since purchasing a home is a large investment in most cases, it is wise to ask questions, review documents, and do your best to avoid signing on the dotted line or accepting any terms that you do not understand. A homebuyer should have a thorough understanding of the condition of the property before closing. You should be aware that some home buyers may be tempted to ignore or delay the process of thoroughly inspecting a home in order to speed up the purchase process. As a buyer, you are entitled to a due diligence period during which you can review the property and determine whether you wish to proceed with the purchase.

What kind of inspections do I need to find out about the condition of the property?

A: The most important inspection is a home inspection. You should hire a home inspector to examine the property and provide you with a thorough report on its condition. The inspector will look for any issues that may affect the safety or value of the property and make recommendations for repairs or other actions you may need to take. For example, if the inspector finds issues with the foundation, HVAC system, or roof, you may need to negotiate with the seller to have the repairs made before closing.

What is a home inspection?

A: A home inspection is a general review of the systems and components of a home (plumbing, electrical, HVAC, structural, etc.) performed by a person licensed by the North Carolina Home Inspector Licensure Board. It is intended to give you an understanding of the condition of the property, including whether any repairs are needed or whether further inspection by a specialist is recommended. You should also be aware that the inspector is not an expert in every field and may not have the expertise to detect certain defects. It is important to read the contract that the home inspector will use to ensure that you understand the limitations of the inspection.

How do repairs get made?

A: With the assistance of your broker (if you have one), you should decide which repairs are necessary and require a repair person to complete the work. If you cannot agree with the seller on the repairs, you can hire your own contractor to complete them. If you decide to forego the inspections, you should do your due diligence review of the property to determine if it is suitable for you before making any commitments.