

NEGOTIATING REPAIR REQUESTS



- In a market where buyers have more leverage, sellers may be more willing to negotiate repairs than they typically are in a so-called “seller’s” market.
- Negotiating repairs can be a very important, yet very complicated, part of a sales transaction.




Inspect Early To Allow Time To Negotiate

L	8	CONTINGENCIES	TIME TO REMOVE CONTINGENCIES	CONTINGENCY REMOVED
L(1)	8A	Loan(s)	17 (or _____) Days after Acceptance	<input type="checkbox"/> No loan contingency
L(2)	8B	Appraisal: Appraisal contingency based upon appraised value at a minimum of purchase price or <input type="checkbox"/> \$ _____	17 (or _____) Days after Acceptance	<input type="checkbox"/> No appraisal contingency Removal of appraisal contingency does not eliminate appraisal cancellation rights in FVAC.
L(3)	8C, 12	Investigation of Property	17 (or _____) Days after Acceptance	REMOVAL OR WAIVER OF CONTINGENCY: Any contingency in L(1)-L(7) may be removed or waived by checking the applicable box above or attaching a Contingency Removal (C.A.R. Form CR) and checking the applicable box therein. Removal or Waiver at time of offer is against Agent advice. See paragraph 8H . <input type="checkbox"/> CR attached
		Informational Access to Property Buyer's right to access the Property for informational purposes is NOT a contingency, does NOT create cancellation rights, and applies even if contingencies are removed.	17 (or _____) Days after Acceptance	
L(4)	8D, 14A	Review of Seller Documents	17 (or _____) Days after Acceptance, or 5 Days after Delivery , whichever is later	
L(5)	8E, 13A	Preliminary ("Title") Report	17 (or _____) Days after Acceptance or 5 Days after Delivery , whichever is later	
L(6)	8F, 11L	Common Interest Disclosures required by Civil Code § 4525 or this Agreement	17 (or _____) Days after Acceptance, or 5 Days after Delivery , whichever is later	
L(7)	8G, 9B(6)	Review of leased or liened items (Such as for solar panels or propane tanks or PACE or HERO liens)	17 (or _____) Days after Acceptance, or 5 Days after Delivery , whichever is later	

- The standard time period in the Residential Purchase Agreement and Joint Escrow Instructions (C.A.R. Form RPA) for the buyer to inspect the property and exercise their investigation contingency is 17 Days.
- If the buyer wants to have the best opportunity to negotiate any potential repairs with the seller, they should have their inspections done early and not wait until just before the deadline.

How Can Buyers Request Repairs?



CALIFORNIA
ASSOCIATION
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REQUEST FOR REPAIR No.
(C.A.R. Form RR, Revised 6/22)

Date Prepared:
In accordance with the terms and conditions of the Purchase Agreement, OR ☐ Other ("Agreement"),
dated , on property known as ("Property"),
between ("Buyer"),
and ("Seller").
Buyer and Seller are referred to as the "Parties".

1. **BUYER REQUEST (Check all that apply): (Note: Seller has no obligation to respond to Buyer request.)**

A. ☐ Buyer requests that Seller, prior to final verification of condition, repair or take the other specified action for each item listed below or ☐ on the attached list dated :

The buyer should use the Request for Repair (C.A.R. Form RR) to propose that the seller:

- 1) make repairs
- 2) cure section 1 or section 2 items identified on a pest report
- 3) provide a credit, or
- 4) adjust the purchase price. The Buyer should give seller copies of inspection reports with the request.

How may a Seller respond to a Buyer's requests?

SELLER RESPONSE: (check one)

Note to Seller: FHA/VA. If the Parties do not reach agreement on completing the repairs and other actions specified in paragraph 3A of the Buyer FHA or VA section of Buyer Requests, Buyer's FHA or VA lender will not loan Buyer the funds needed to purchase the Property. If that happens, and there is a finance contingency that has not been removed, Buyer may cancel this Agreement (C.A.R. Form CC).

1. Seller Agreement:

- A. ☐ All. Seller agrees to all of Buyer's Requests.
- OR B. ☐ Partial. Seller agrees to all of Buyer's Requests except: _____

C. ☐ **Additional Conditions:** Seller's agreement only applies if Buyer removes those contingencies identified on the attached Contingency Removal Form (C.A.R. Form CR) by Signing and Delivering it within the time specified in paragraph 1D below.

D. Expiration of Seller's partial/conditional agreement:

If paragraph 1B or 1C is checked, Seller's agreement to the RR may be withdrawn by Seller any time prior to Buyer's agreement in writing and shall be deemed revoked unless by 5:00PM on the third Day after it is signed by Seller (or by ☐ AM/ ☐ PM on _____ date) AND it is re-signed by Buyer below and a copy of this RR is delivered to Seller.

- OR 2. ☐ Seller responds to Buyer's request on the attached form (C.A.R. Form RRRR).
- OR 3. ☐ Buyer's requests are not incorporated into the Agreement. Seller responds to Buyer's requests on the attached Amendment to Existing Agreement (C.A.R. Form AEA). No Seller signature is required on this RR.
- OR 4. ☐ Seller does NOT agree to any of Buyer's requests

SELLER RESPONSE: SELLER RESPONDS TO BUYER'S RR ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. BY MAKING THIS SELLER RESPONSE, ANY PREVIOUS RR OR SELLER RESPONSE AND BUYER REPLY TO REQUEST FOR REPAIR (C.A.R. Form RRRR) CAN NO LONGER BE ACCEPTED.

Seller: _____ Date _____ Seller: _____ Date _____

- The seller may respond directly on page 2 of the RR form if the seller is agreeing to everything, nothing or to some of buyer's request.
- If Seller wants to propose an alternative response, the seller should respond on the Seller Response and Buyer Reply to Request for Repair (C.A.R. Form RRRR) instead.

NOTE

Paragraph 14B(2) of the RPA states that a seller is not obligated to agree or respond to any buyer requests. Although it is courteous for the seller to respond, no response from a seller should be interpreted as "NO" to all repairs asked for by the buyer.

(2) Buyer may, within the time specified in **paragraph 3L(3)**, request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests (C.A.R. Form RR or RRRR). If Seller does not agree or does not respond, Buyer is not contractually entitled to have the repairs or other requests made and may only cancel based on contingencies in this Agreement.



What conditions does Seller impose when agreeing to repairs?

- In both C.A.R. Forms RR and RRRR, the seller's agreement is conditional. The buyer must agree to the release language included on the form and to removing the identified contingencies for the seller's agreement to be binding.
- Agreeing to the seller's response and signing directly on C.A.R. Form RR or RRRR will remove buyer's investigation contingency.
- Buyer must sign the Contingency Removal, (C.A.R. Form CR) attached to Forms RR or RRRR to remove any additional contingencies



What conditions does Seller impose when agreeing to repairs?

If the seller is responding on Form RRRR, the buyer may:

- 1) accept the seller's response
- 2) counter terms on page 2, or
- 3) make a new Request for Repair.

If the buyer counters the terms on page 2 then the seller needs to complete the final section of Form RRRR. If the buyer makes no counter, this section is left blank.

What are alternatives to Seller making repairs?



- If a buyer does not want to request repairs, or a seller does not want to perform them, C.A.R. Forms RR and RRRR, as well as the Amendment to Existing Agreement (C.A.R. Form AEA), allow for the parties to agree to a credit or price reduction.
- While the seller may offer a credit or price reduction, it is possible that the repair of habitability conditions by the seller may be required by the buyer's lender.
- Additionally, the buyer's lender may disallow a credit being offered from the seller to the buyer. Remember that the lender's decision must be respected, and the buyer cannot receive the credit if that credit is disallowed by the lender. To avoid this situation, ask the lender in advance about the maximum allowable credit.

Additional Resources

Quick Guide: [Negotiating Repair Requests](#)