

Willits Weekly | Edition 57 | May 13, 2021

REAL ESTATE SECTION



Outstanding, one-of-a-kind ranch property sitting on 129.8 +/- acres in Sky Rock Ranch. Gorgeous lodge style home with every comfort you would want.

There are three bedrooms and three full baths. The kitchen displays cherry cabinets, an island with a sink and additional cabinet space. The living room, kitchen and dining areas are open and very spacious. The master

bedroom suite is downstairs and has an enormous closet. The master bath has a jacuzzi tub, and a separate shower stall. There are two charming upstairs bedrooms.

The living room features a big, rocked wood-burning fireplace, and cathedral ceilings. There is a tall living room window that shows expansive views of the sky, mountains and pastures.

The property also has a large 40-foot by 60-foot barn with a loft for hay, and storage for vehicles and equipment. There are two horse stalls on one side and for additional horses, there is a another barn with hay storage and open walk-in covered shelter with mats.

The detached shop is 20-foot by 30-foot with a concrete floor, and work counter. This parcel borders the year-round Rock Tree Creek.



Property Feature **7001 Hearst Road, Willits**

MLS: 321019358

Offered for sale at:
\$2,155,000

Listed by:

Ruth Weston
of Summit Realty
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COMING SOON!

May 10th, 2021:

Close-in, Brooktrails home on 1.47 Acres. 3 bedroom, 2 bath home includes an attached, 2-car garage. \$369,000.

May 15th, 2021:

Brooktrails Beauty: 2 bedrooms, 2 baths, 1865+ square feet; merged, double lot with fabulous, westerly views! \$375,000.

June 1st, 2021:

4 bedroom, 2 bath home tucked on the west foothills within City limits! The home has 2200+/- square feet of living space and sits on a 0.46+/- acre lot. \$380,000

Call for more details!



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COLUMN | How's the Market?

Rent to own

First-time homebuyers or people with poor credit and limited cash can ease into home ownership with a rent-to-own (or lease) option. While the idea of rent-to-own sounds simple and straightforward, legally the agreements are complex and require significant expertise to navigate.

Unlike a conventional transaction in which a sale price is agreed upon, and within 30 to 90 days the entire transaction is complete, in a lease option, the title transfer generally doesn't take place for years. During that time, the property will likely require maintenance and repairs, suffer depreciation, may get some improvements, and will almost certainly change in value.

The advantages to the buyer are fairly obvious: the buyer takes occupancy of a property today as a renter with the right to become the owner at some point in the future. The benefits for the seller can also be significant. The seller obtains a tenant for a vacant property – hopefully one that will take care of the property well compared to someone who never plans to own it. In addition, the seller will likely receive additional compensation, either cash up front or higher rent.

When it comes to the agreement, the amount of rent



Richard Selzer
Columnist

paid should be negotiated to include a clear determination of how much (if any) of the rent will be applied to the purchase price. If fair market rent is \$1,000 per month and no up-front option money is paid, the seller would be foolish to grant an option, especially if the option is based on today's values.

Why would the seller obligate himself to sell the property five years from now at the same price he could get today unless he is getting compensated for the potential change in value? While the option is in effect, the seller cannot sell to someone else.

Most rent-to-buy (options) are written at a specific sales price, but some change over time, either at a predetermined rate or cost-of-living adjustment – or on occasion, based on an appraisal of fair market value at the time the option is exercised (when the sale takes place).

These provisions will dramatically affect the amount a buyer is willing to pay for the option and the amount a seller is willing to accept. The critical issue is that all parties understand and agree to the three required contracts.

This type of agreement requires a rental agreement, a purchase agreement, and an option agreement. The rental agreement outlines the rights and responsibilities of the landlord and tenant. The purchase agreement outlines the price, financing terms, what personal property is included in the sale, what inspections the buyer is entitled to, and what repairs the seller is obligated to perform. The

option agreement ties the other agreements together and specifies the time frame for the option.

The stickiest issues arise around inspections. Clearly, before escrow closes, the buyer should have all standard inspections. The question is, when should the inspections take place: when the option agreement is written, or closer to the transfer of title?

Few people want to take on unnecessary expenses any sooner than they have to, but I strongly recommend getting the inspections up front, prior to taking possession of the home and committing non-refundable option money to the transaction.

When it comes time to execute the option and purchase the home, the amount of money paid for the option is not relevant. The decision to purchase the home should be made solely on the basis of whether the property is worth the purchase price to you. The option money paid is irrelevant. Do not throw good money after bad. If the house isn't worth the purchase price, walk away. You are under no legal obligation to exercise the purchase option.

If you have questions about real estate or property management, contact me at rselzer@selzerrealty.com. If you have ideas for this column, let me know. (If I use your suggestion in a column, I'll send you a \$25 gift card to Roland's Bistro!) If you'd like to read previous articles, visit <https://selzerrealty.com/> and click on "How's the Market?"

Dick Selzer is a real estate broker who has been in the business for more than 45 years.



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MENDO REALTY

MENDOCINO COUNTY'S PREMIER REAL ESTATE COMPANY
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Three 4-plexes - 12 units total! All 2bd/1ba apartments (approx. 837 Sq. Ft./unit). Newer roof and newer exterior paint. Excellent opportunity for an investor! Presented at \$1,299,000



2 Bedroom 2 Bathroom 1676 sq ft +/- entertainment sized living room with wood stove, overlooking the deck. This home has a formal dining room and an office for today's work from home professional. Complete with a two car garage and a paved driveway. Recently refreshed and ready for you to move in. Presented at \$379,000



Downtown Willits storefront. Front office space, Plenty of downtown parking surrounds this property. Second unit in the back is currently rented as a Salon. Presented at \$250,000



3 bedroom 2 bath 1975 Mobile home, front porch, garden and vineyard views. Just under 3/4 of an acre with mature fruit trees and raised garden beds. Detached shop that has radiant heat flooring. This is a property you won't want to miss! Presented at \$395,000



20+/- acre parcel with a cabin in Pine Mountain off of Old Boy Scout Road. Beautiful view of Willits Reservoir from ridge top. Well maintained 1/2 mi gravel road from Old Boy Scout Road to cabin. 2500 gallon water tank. Generators. Sheds. Come build your forever home. Presented at \$265,000



Property features 2 homes — 3376+/- sqft main house and a 2nd residence that is 660 sq ft, 418+/- Acres 20 min to downtown Willits, in addition to a barn, several outbuildings and a detached garage with covered RV storage. Must see! Presented at \$995,000



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