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REAL ESTATE *Update*™

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Which Repairs Should You Make Before the Sale?



If you're preparing to place your home on the market, it's inevitable that you'll need a couple of minor repairs and slight improvements before that "For Sale" sign can be driven into the front yard.

Practical projects like a fresh coat of paint require little time or money but can make your home more attractive -- and more attractive homes are likely to sell faster and for more money.

But what if an item needs repair, something which doesn't jeopardize anyone's health or safety -- a problem of the "out of sight, out of mind" variety. Should you simply disclose it and leave the buyer to deal with the problem? Or should you fix it before placing your home on the market?

Before making any decisions, consider that repairing the problem could result in a higher sales price. It's sweet music to any buyer's ears to hear the terms "new" or "just replaced" as they walk through a home.

Think of it this way: A move-up buyer or transferee has a good idea of what it takes to operate a home. The goal here is to move in with the fewest costs and headaches, so making repairs in advance is a big selling point.

For first-timer buyers the situation is somewhat different. First-timers also want to reduce both headaches and costs where possible, but there is another issue as well: Buying a first home is a big step, financially and psychologically. Adding another cost or problem to a list of general concerns might be a deal-breaker, one more reason not to buy.

Another point to consider: Most home sales today include the use of a home inspection clause. Depending on how it's written, this clause can allow buyers to terminate a contract if the inspection is not "satisfactory" to them or if certain repairs are not completed.

If the inspection uncovers an item which needs to be repaired, what does the buyer do? The buyer asks for a discount -- sometimes a very ambitious discount based on an inflated view of repair costs. In effect, some purchasers will use an inspection clause to re-open the entire bargaining process.

When considering minor aesthetic improvements, your decision should depend on local market conditions. The questions to ask are: What's needed to be competitive -- and what's not? In a hot seller's market you may not need to change a light bulb, while in a buyer's market your list of repairs and upgrades may be extensive.

While not fixing up is one problem, fixing up too much -- *over-improving* -- is also an issue. The usual rule for buyers is that they purchase the least expensive home in the most expensive neighborhood they can afford. The result is that a house with too many improvements may be priced at the top of the local market, not the best place to be from a selling standpoint.

An over-improved house -- or one without appropriate repairs -- is likely to languish on the market, to become "stale." This is a major marketing problem because the longer a home is available for sale, the less likely it is to sell for top dollar.

Equally troublesome, the longer a home remains available for sale, the more it costs the owner in terms of monthly mortgage payments, tax obligations and insurance costs. A delayed sale can also slow the purchase of a replacement property.

What repairs and improvements should you make to get top dollar? Every home is different, so get together with your REALTOR® and determine what's best for today's marketplace.

Note: If this article generates additional questions or a need for additional information, the following link will allow you to ask your question(s), request additional information or make comments. It is not my intent to bug you with unwanted phone calls, emails, or text messages! It is my intent to allow you to benefit from my 35+ years real estate activity and to give you a buying experience beyond your expectations!

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