

Buying A Fixer-Upper: Are You Ready For The Work

Always dreamed of renovating a home exactly to your specifications, or have you found an older house that is structurally sound but needs a lot of work inside? Perhaps the price is right and you can't resist all that house you can get for your money. Whatever the reason, buying a fixer-upper can be both an exciting and rewarding purchase or a financial and time consuming disaster, depending on whether you are prepared for what you have gotten yourself into. So what should you know before buying a home that requires a little or a lot of tender loving care?

The Benefits

The benefits of purchasing a fixer-upper are obvious. The price is usually right, and if the seller wants a quick sale because of decreased interest in the home, you may be able to negotiate a really great price. Also, if you intend to flip the home after the renovations, the profit for the money and time you have invested can be quite considerable. The trick to getting these benefits, however, is knowing what type of property to look for, as well as having an accurate idea of the associated costs, and realistic expectations of the time and labor it will take.

What Makes A Great Fixer-Upper?

There are several features that may make for a great fixer-upper.

Location-Buying a home in a desirable neighborhood is always a smart idea, particularly with homes that require a lot of work. Purchasing a house in a sought after area can mean a greater profit margin for resale value.

Layout And Configuration-This is especially important if you plan to sell the home after the renovations are finished. Selecting a home that will appeal to the greatest number of buyers will get you the best price. Also, choosing a home with a layout that flows may save you a considerable amount on the actual renovation costs because you are less likely to need custom installations and work.

Condition-Ultimately the most important consideration is the actual condition of the home. Choosing a fixer-upper with only cosmetic problems such as damaged flooring or old fixtures and appliances, and in need of only a new paint job, can often have the greatest profit margin and require much less money and time.

Overall, when purchasing a home that needs work, getting a qualified home inspector's advice and getting estimates of the cost of work to be done before making your offer can make all the difference.