

A man in a grey t-shirt and blue jeans is standing on a red step ladder, painting a white wall with a roller. He is smiling and looking back over his shoulder. A woman in a light blue button-down shirt and dark jeans is sitting on the floor, leaning against the wall. She is also smiling and looking towards the camera. There are paint cans and a paint roller on the floor near the woman. The background shows a white wall with a light switch and a doorway.

The Home Depot &  
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# PROs & CONs

List for

# Fixer-Uppers

## PROs



### **PROs:**

- **Money-saving opportunity:** Ability to get a great deal at a reduced sales price
- **Bargaining power if seller hasn't received offers:** More negotiating room with the seller
- **Plenty of design possibilities:** 'Blank Slate' potential to create the home you want
- **Savings upfront:** Not paying for updates that the seller has done to suit their personal style (or what they think you want)
- **Savings on the back end:** Greater potential for resale profit, especially if you perform the updates yourself
- **DIY Confidence:** Personal satisfaction for 'doing it yourself'

## CONS

### CONS:

- **Firm lines drawn by seller:** If they are already selling under the market value price, they may not be willing to offer additional concessions
- **No reductions for repairs:** Often sold 'As Is' and on a 'Take It or Leave It' basis
- **Potential bidding wars with other buyers:** Be prepared to compete
- **More up front, out of pocket costs:** Unless you obtain a home renovation loan or alternative source of financing, you'll need to come up with cash for updates
- **Difficulty getting appraisal:** If the house needs too much work, you may run into issues with having it appraised for the sale price. Be prepared to renegotiate with the seller, walk away or come up with the additional funds yourself
- **It's a trade-off:** You are not buying your completed dream home at a steal; you are buying a piece of property that you can turn into your dream home

## CONSIDERATIONS

### CONSIDERATIONS:

- **Purpose of the purchase:** Will you live there or are you improving for resale or income property purposes?
- **Location:** Do you want to live there? If it's an income property, is it in a desirable location for renters?
- **Time availability:** Do you have the hours to devote to updating the property yourself?
- **Time frame for rehab:** If you are planning on putting the property on the market for resale or rent, will you be able to finish the total project in time (i.e., if you are renting to students, will you be finished in time for the upcoming school year)?

*Don't forget about obtaining permits where necessary: Applying for them and arranging inspections can be time consuming and will hold up renovation progress if you fail to prepare beforehand.*

- **Expertise for updates:** Although many home improvements can be done by beginner DIY-ers, there are some things that should (and must) be left to the professionals. Be sure you do not bite off more than you can chew!
- **Budget for updates:** Doing the work yourself will save you money, but updates of any kind are not free. Make sure you select a fixer-upper that can be adequately renovated within your monetary means.

*Don't over-improve for the area. Make sure to check comparable homes in the neighborhood and do not invest too much for your updates or select taste-specific items that future owners/occupants may want to change.*

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