

Pay Now or Pay Later

Most of us are aware that purchasing a home can be stressful and overwhelming. However when the keys are handed over and boxes are unpacked, the years start to fly by. Life is busy, filled with working, raising a family, looking after parents and dashing to appointments. Family and friends are forgiving, unfortunately houses are not. You can't ignore home repairs and maintenance indefinitely. If you don't pay for them now, you may very well end up paying even more for them later.

Today almost all home sales are conditional on a home inspection. Home inspections will almost always reveal patent defects (defects you can see) and often latent ones (defects you can't see) such as knob and tube wiring, asbestos, cracks in foundation or water damage. It can be a mistake for home owners to not address these issues before it comes time to resell.

Here is an example: Seller Smith knows he has dated wiring in his house. He puts his house up for sale and he receives an offer conditional on a home inspection. Seller Smith holds his breath hoping the wiring won't become an issue. The home inspector red flags the wiring to the buyers and they find out that their insurance carrier will not insure the house with the outdated wiring. Only one of two things will happen at this juncture: Mrs. and Mrs. Buyer walk away from the deal, or they amend their listing agreement and ask seller Smith for money off their original price to cover the cost of updating the wiring. One way or another, seller Smith will pay for upgrades to his house.

This is just one example of course and it is by no means an isolated case. Real Estate Sales Representatives see this in many deals every year. This is infact, one of the reasons why we recommend a pre-listing inspection. This is also a good reason why most financial experts recommend that you budget to spend 1% to 3% of your home's value for annual repairs and maintenance. For example, if your home is worth \$250,000, you should set aside \$2,500 to \$7,500.