

## *Dedicated Home Services LLC*

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## **General Recommendations for Home Buyers**

When purchasing a home it is common for buyers to have many questions about the process of the purchase. Here are some tips to enable you to make an informed decision. I assume that if you are looking at this you have already submitted offer to purchase on a home. Congratulations! The timer has started and you only have a week or so to fulfill contingency obligations and make your final decision. You may have already considered price and location. You have most likely considered many homes and finally found one you love and must have. Slow down and relax, you have some work ahead of you that is boring, but important.

### ***Research***

- Call the local building department and request records on past permits. It is very common for homeowners and contractors to do repairs and upgrades without permits. The codes and standards have most likely changed since the work was done, but this will give you an idea of which updates were done professionally, and when they were done.
- Ask questions of the seller. Ask for records of repairs and upgrades. Legal descriptions and possibly the abstract. The abstract is sometimes kept with the owner, or at city or town hall records. It details all sales history and sometimes permitted improvements.
- Get tax records on the property. These are public records. They will show the value history and legal description of the property.
- Get a copy of survey and confirm measurements or get it resurveyed. You don't want to find out that part of your garage is owned by your neighbor.
- Ask municipal planners if there are any projects proposed for the area that might cause future concerns, road, sewer, utility, or other neighboring building projects. Ask about tax history and future trends. When was last assessment, and what will taxes be once adjusted for the new sale price?
- Get records on water quality from your municipality. If your water is supplied by city, they are required to test regularly. The DNR keeps records on wells. Have your well tested. A kit is available at the county extension office. Septic system records are usually kept at the city or town hall.
- Meet the neighbors; they may reveal some concerns about the neighborhood or history of the home. This happened to me personally. My neighbors informed me that the house I just bought was resided because the original wood had gone without paint for 30 plus years!
- Tour the school and the community at length.

### ***Who is looking out for you?***

- Who stands to profit from the completion of the sale?
- Caveat Emptor! (Buyer Beware)

- **The seller**, this is obvious. They want you to buy the house.
- Your **Real-estate agent**, whether buyers agent or sellers agent, only gets paid if the deal goes thru. They are bound to ethical standards, but this is not been my experience with most. They all pressure the buyer to complete the sale. Often minimizing your concerns. 6% of \$200,000 is \$12,000. I think you may understand them not wanting you to back out of the deal.
- **Banks and Appraisers**; the bank wants your loan. They don't want you to default on it, but I often see them use an appraiser who will value the house at a price that will make the deal work. I have witnessed conversations were a loan officer tells the appraiser the magic number in order to get the mortgage note approved.
- The **home inspector**. Yes, I know. Nothing but good things to say. Not true. Some inspectors cater to realtors, to keep in good favor for future referrals, by not finding too many problems or minimizing them. If the report is thorough and the inspector is competent and spends time answering your questions, they are on your side. And the fee is not based on the sale.
- **Lawyers**, yes, this is a case were a lawyer would help you with the details of the contract and mortgage requirements. This however only addresses legal and contract points, not the bigger picture.
- **Contractors** giving estimates; this is outside of sale to an extent, but they are obligated to complete the work to current standards and code. This is often expensive. They also want to limit liability. The contractor is well advised to do repairs to the extreme, were they fix more than necessary to eliminate call backs and liability of a cheaper patch or minimal repair.
- **Ethics: research and question the ethics of all professionals you deal with.** If you see any conflict of interest or don't feel they are serving you best interest, ask them. This will put them on edge and remind them that every now and then, someone will keep an eye on them.

## ***Review your information***

- Review your inspection report. Which conditions are a concern and how to remedy them? The report is a collection of negative points that often deflates buyers' excitement. This is common and I find an average of 30 plus separate concerns on a typical home. No house is perfect. Many of the concerns are considered upgrades and maintenance issues that need to be addressed in the future to prevent costly repairs. All maintenance and repairs have a wide variety of cost associated with them. Get estimates now!
- Review your appraisal and mortgage details to determine your ultimate budget and affordability of the home.
- Review all of the information you have researched and seek advice of trusted friends. Take a breather and make a final decision knowing that you did your homework.

## ***Your Options Are:***

### **1. Accept certain conditions "AS IS"**

Evaluate the condition of the home and accept the fact that no house is perfect and proceed with the sale with knowledge of the present conditions.

### **2. Ask seller to fix selected conditions**

When armed with the cost estimates, you could ask that certain items are repaired before closing. You must also understand that the seller is not obligated to accept terms that

you dictate. Repairs must be detailed as to standards of workmanship and materials. These can add to the complexity of the sales agreement and very often result in arguments and litigation about terms. Repairs and negotiations can drag out the sale indefinitely, costing all parties time and money.

**3. Renegotiate the sales price.**

A seller may adjust the purchase price or contract terms if major problems are found. If the problems are costly you will be able to make your decision about purchasing the home with the proper knowledge about the future cost of that home. Neither party is required to enter into negotiations of price. Chances are they priced the home with most conditions in mind.

**4. Reject the sale.**

It's your money. Don't let sales pressure saddle you with years of buyer remorse. The terms of this sale are in your control.

## ***Summary***

All the stress is normal. The purchase of a home is major undertaking. Soon you will be moved in and enjoying your new home. All the stress and anxiety will be a distant memory. You should be proud of yourself for undertaking this process. Most people don't research to the extent that I recommend, and they often get through it unscathed. But when I hear stories of others who discover things after taking ownership, they often weren't well informed and often pressured to make a quick decision. The whole process is done at a fast pace but should be done as cautiously as time allows. If I can be of any help to you while making your decision please call or email me your questions. I abide by ethical standards that limit the advice I can give on specifics of each client, but I have lots of experience with most areas and can give lots of information or point you to other resources.

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