

# SEVEN

WAYS TO AVOID BUYING A  
PROPERTY LEMON





# RULE #1 HIRE AN INSPECTOR

The only safe way to avoid buying a property lemon is to get a home inspection and a pest inspection that's conducted by a qualified specialist. In the meantime, pay close attention to the structure when you view a property. Cracking in the walls or plaster indicates subsidence, which is one of the most expensive defects to fix. New homes are not immune. Inadequate soil testing and hastily built foundations without proper grading can cause a new home to crack and fail.



## RULE #2

# LOOK FOR WATER DAMAGE

When water gets into a property over a sustained period, you can expect major structural damage. Rust on the roof or gutters, sagging gutters, and wall paint that's bubbling or peeling away from the walls usually indicate a leaking roof. Other signs of water damage include damp patches, discoloration, rotten skirting boards, peeling wallpaper, and the pervasive smell of mold.



## RULE #3

# CHECK THE APPLIANCES

To check for rusting pipes or poor water pressure, just turn on the water and see what comes out. If the water is brown, you've got rust. If the water is gushing (or trickling), you've got water pressure issues. When it comes to electrical, poorly installed or poorly maintained electrical systems are a fire hazard. Older properties are particularly susceptible, but you should be on the lookout for dodgy wiring in a new home too. Red flags include blackened areas around power points and flickering lights. Finally, in regards to the heating and cooling systems, these are very high dollar expenses – So turn them on and check to see if they're operating properly.



## RULE #4

# GET A HOME WARRANTY

No house is perfect, even new construction homes. So ask the seller to buy a home warranty and write this into the purchase contract. A home warranty pays out if your mechanical or electrical systems malfunction. Typically, it also covers the air conditioning, furnace, water heater, ductwork, telephone wires, plumbing, and electrical systems. If the home also has a pool, it's worth asking the seller to buy coverage for that too.



## RULE #5

# CHECK OUT THE NEIGHBORS

A property in good shape can still be a lemon if the neighbors drive you bananas. Check out the neighbors before you buy. Cruise the neighborhood at night and see what the people on the street are doing. Listen out for barking dogs and late night parties. Local store owners are good for gossip, so ask what they know about the street and the people who live there.



## RULE #6

# CHECK PERMITS

Building permits are required for just about every type of home improvement, from remodeling the garage, to adding a deck. Permits obtained over the life of the property indicates that the work was done by a legitimate contractor in compliance with local building codes. Conversely, a property that displays clear signs of improvement, such as new windows, but has no permit, is a red flag. There's a risk that the work is substandard and will end up costing you money to fix or bring up to code.



## RULE #7 VERIFY, DON'T ASSUME

If you're moving into an area because you've heard it's peaceful, has great schools, low taxes, low crime rates and so on, verify these assumptions. Otherwise, you may end up with freeway construction at the end of your street or find that your "low" tax bill is topped up heavily by special assessments. Let your real estate agent know your needs and concerns and have her check out crime statistics, county records, and key community information. After all, you can fix up a rundown property, but you're stuck with its location.





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