

## your full service agent™

### Real Estate Investments: Fixers

Considering a fixer? The positive side is that they can be found in any place and any neighborhood demographic. These properties tend to lack care and have received poor maintenance. Their value, regardless of the type of neighborhood, will be drastically lower than similar houses in the area.

#### Is It Worth It?

To know if it is worth your money and time, do the research. Determine how much it will cost you to bring the value up to its full market value. Is that value within your budget? Then, review how much of your money you will get back. If the cost of the home plus improvements is not what the market value of the home will be, it may not be worth it to you.

When first starting to invest in fixers as real estate property, consider working only with homes that do not need structural repair. This will help you break into the game and learn the process for fixing up a property.

#### Historical Status

There is a 20% investment tax credit for qualified improvement expenses. The property must be listed on the National Register of Historic Places and/or have the appropriate local and state historic districts. The downside of historical buildings is that significant structure changes and demolition are not allowed deductions.

There are a few different ways to finance property with historical status, and Your Full Service Agent™ can set up a meeting with a mortgage broker, if you are not currently working with one, to explore the financing options for historical properties.

#### Financing for Fixers

Like with historical properties, there are several financing options available. It is best to speak with a mortgage broker about your options since there are many ways to approach it. Your Full Service Agent™ will take the decision you make about financing and help you find a fixer that fits your criteria.

#### Building Codes

- A set of rules, called codes, set minimum public-safety standards for every aspect of home building and improvement.
- Be aware that different parts of home improvement and building have different codes and inspection processes to be aware of.
- Some types of remodeling require permits and inspections. Before you begin a project, do the research to make sure you don't need them. Also, when purchasing a home that has been significantly remodeled, ask for proof of permits before buying the home because you become liable after you purchase the home.

## **Finding a Contractor**

**HomeServices is a complimentary program for our clients. It allows you to access a preferred list of vendors who are licensed and bonded for customizing, maintaining, and updating your home. You have access to this program the entire time you live in the home you purchase using Your Full Service Agent™.**