

# How To Spot Red Flags On A Property

*Leah Betancourt, Staff Writer*

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Some say you can't judge a book by its cover.

Up the ante and the same can hold true for a home. Getting beyond the wow factor and into the nitty gritty of the less glamorous parts of the home such as the roof, furnace and foundation can make or break a real estate deal.

During an open house or walk through, keep in mind that paint color, flooring and other cosmetic items can be changed. Don't overlook subtle things that could signal a larger problem.

## Take Note

Anthony Marguleas, broker, Realtor and owner of Amalfi Estates in Los Angeles and author of a forthcoming book called "Secrets and Myths of Real Estate," said to walk around the area before making an offer and take note of how other homes in the neighborhood are maintained.

Also on the exterior, he said to check the drainage on the property and condition of the home's gutters.

On the inside, Marguleas said, see if the windows and doors open and close easily because if they don't, it could be a sign of settling issues.

Take note of the smell inside the home. Is it musty?

Marguleas said that mold has become a hot-button issue, and the home's smell could indicate that. For instance, if there's a strong scent of air freshener, it is probably being used to cover something up.

## Signs Of Problems

"Water is probably the No. 1 killer of a home," said Reggie Marston, owner and president of Residential Equity Management in Springfield, Va.

Marston, who is featured on HGTV's "[The House Detectives](#)" also said to look for large cracks that could be a sign of structural issues.

Another water-related red flag on a property is any signs of moisture in the basement, said Kathleen Austin Kuhn, president and CEO of HouseMaster in Bound Brook, N.J.

Kuhn said if water only trickles out of the shower because of poor water pressure, it could indicate serious plumbing problems.

She said that if the buyer sees a lot of extension cords, that means the outlets are being overused, which could stress the electrical system.

Checking out high-ticket items such as the roof can help spot warning signs. Kuhn said if the roof is bumpy and curled, it could be an indication of an old roof.

Buyers' observations are not the only way to get insight about possible problems with the property.

## **Seller's Secrets**

Kuhn said that red flags should be raised anytime a seller is less than flexible on what areas of the home the buyer can access or if the seller is resistant on any service request, such as when was the furnace last serviced.

Marston said that if the buyer asks the seller direct questions and the seller does not answer directly and skirts the issue, then there's probably something wrong.

Buyers and sellers might want to hire their own home inspectors to get both an education about the home and spot any problems that can't be seen without a trained eye.

Marston said that home inspections are important -- whether the house is newly built or an existing home --if the buyer isn't knowledgeable about the house or doesn't have \$100,000 in the bank to spend on repairs.

Experts stressed that sellers should get their home inspected before putting it on the market. Marston added that it gives the seller an opportunity to get any problems corrected.

Home inspectors are not only there to look for defects in the home. The inspection is meant to be a learning process for the buyer or seller so they know where things are, such as the water shutoff valve.

"The inspector is really the critical person. You need to inspect the inspector," Kuhn said.

She said home inspectors' credentials are critical. In 33 states, there is some form of regulations for inspectors; however, they can fall short and vary in criteria.

Kuhn said the inspection should take about two to three hours and the focus is on the major elements of the house. A professional home inspector will check a representative number of electrical outlets, for example.

Kuhn said home inspectors should encourage buyers or sellers to accompany them during the inspection and to take down their own notes.

## **New Home Tips**

For new homes, Marston suggested more than one home inspection as the home gets built.

Have an inspection before the drywall is installed on studs and then before water or electric are installed, and then again on the final walk-through of the home.

## **New-To-You Home**

On homes that are not new, Marston said to have a three- to 10-day window for the home inspection prior to buying. He said then if the inspector encounters many issues, he or she can do an addendum inspection to see if items have been corrected.

## **Inspector Inspection**

Warning signs with home inspectors should be if they are not taking notes during the walk-through. Kuhn said that good inspectors use computer-generated reports.

"The inspector does not want to rely on their memory," she said.

She said another warning sign is if they are taking shortcuts when checking things. She said an inspector should make a good effort to get into obstructed areas, such as crawl spaces.

Tom Kraeutler, host of the syndicated radio show and podcast called "The Money Pit" in New Jersey, said

that consumers might not want to take the recommendation of their real estate agent when it comes to hiring a home inspector, to ensure fairness in the inspection.

“Watch out for inspectors that do repairs,” he added. “Never hire an inspector who’s in construction.” They may have motives to bulk up repairs to increase their income.

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