

Consumer Protection Workshops “Building & Home Expertise”

Consumer Protection When Evaluating a Home or Business for Purchase

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- **Begin your home or business search by partnering with a specialist buyer's agent. Did you know that when you buy a home or business that your interests cannot be fully and legally represented unless you have an agreement with a buyer's agent?**
 - **Using a buyer's agent does not cost you anything; they will represent you alone and can assist you in all negotiations**
 - **The homebuyer or business buyer is not and cannot be represented at all by the listing sales agent**
 - **Specialist buyer's agents are considered the experts in home or business buying because they have extensive experience about home or business construction and home or business features**

- **Meet with a lender and obtain the best pre-qualified loan and rate for your home or business purchase**
 - **This loan pre-qualification will help determine the maximum price of the home or business you can purchase**
 - **This loan pre-qualification will give you an advantage when you begin negotiations for the home or business you will purchase**
 - **This loan pre-qualification may allow you to lock in the best interest rate and possibly lock this rate for a long period of time**

- **Once you have narrowed your home search together with your buyer's agent to a reasonable number of homes or businesses, be prepared to evaluate and research each home or business by creating a template list for documenting each of the home's or businesses' most important benefits and features**
 - **By creating feature evaluation lists for each home or business, you then have an effective method and means to truly compare and contrast each of the homes or businesses by their most important features after viewing dozens of homes or businesses**
 - **By using these feature evaluation lists, you have detail feature information for each home or business that you can further research and document over time to make the best informed decision when you purchase your home or business**

□ Begin evaluating and researching the exterior grounds and the exterior features of the home or business

- Evaluate the lot grading, swales and any retaining walls. Does the lot seem to drain properly? Is there proper drainage slope away from the home or business?**
- Evaluate the roof condition. What type of roof is it? What is the design life of the roof? What is the condition of the roof flashings and skylights? What is the condition of the gutters and downspouts? Is there adequate venting in both the roof and the soffits?**
- Evaluate the fascia and soffit condition. What type of material is used on the fascia and soffit? What is the design life of the fascia and soffit material?**
- Evaluate the condition of the exterior siding on the home or business. What type of material is used as the exterior siding? What is the design life of the material used as the exterior siding? What is the warranty of the exterior siding? If the exterior siding is wood, is there evidence of rotting and/or bowing?**

- **Evaluate the condition of the exterior windows and doors on the home or business. What type of material is used in the exterior windows? What is the design life of the material used in the exterior windows? Who is the manufacturer and what is the warranty of the windows? What type of material is used in the exterior doors? What is the design life of the material used in the exterior doors?**
- **Evaluate the condition of the exterior foundation on the home or business. Are there any visible cracks or settling?**
- **Evaluate the exterior walls on the home or business. Are the exterior walls 2x4 or 2x6 framing? Are the exterior walls single wall or double wall construction?**

□ Begin evaluating and researching the basement/crawlspace and foundation area

- If full basement; Are there any major floor cracks? Are there any major foundation wall cracks? Are the wood floor joists in good condition? What is the lumber rating of the floor joists?**
- If full basement; Is there a sump pit and pump? Is there drain tile installed? If a walkout basement, is the drain tile exposed to daylight? Was the foundation waterproofed? If so, what type of material was used?**
- If crawlspace; Is there evidence of excessive moisture? Is there evidence of infestation of insects, rodents or termites?**

□ Begin evaluating and researching the main living areas of the home or business

- Are there smoke detectors, if so, are they installed per code? Are the smoke detectors battery operated or are they hard wired with battery backup? Are there GFI circuits in all wet areas and garage per code?**
- Are there any major walls or ceiling cracks from settling, shifting or poor craftsmanship?**
- What is the quality of craftsmanship in the finish work of the home or business such as the trim, cabinets, flooring, painting and tile?**
- Are all handrails and guardrails installed per code?**
- Are the necessary windows and doors code compliant? Are all bedroom windows egress minimum size and minimum height off of floor? Do the necessary doors and windows have tempered glass?**

□ Begin evaluating and researching the mechanical and HVAC components

- What is the AC size, type, manufacturer and warranty? What is the AC design life? What is the furnace size, type, manufacturer and warranty? What is the furnace design life? Is the furnace flue installed properly? Is the AC and furnace sized properly for the square footage of the home or business? Are there adequate heat runs and air returns?**
- What is the water heater type and size? What is the design life of the water heater? Is there a thermal expansion tank installed at the water heater? Is the water heater flue installed properly?**
- What type of plumbing water lines are installed? What is the size of the main water line? What is the water pressure in the home or business? Is the main water service size adequate for the size of the home or business?**
- What is the main electrical service amperage size? Is the electrical service size adequate for the size of the home or business? Does the electrical panel contain fuses or breakers?**
- If the sanitary sewer is public, is there a backflow preventer installed to prevent against sewer waste backing back up into the basement of the home or business?**

□ Begin researching and documenting the energy ratings of the home or business and its components

- What is the type of the ceiling insulation and what is the R-value? What is the type of the wall insulation and what is the R-value?**
- Are the windows thermo pane and what is the R-rating of the windows? What is the R-rating of the doors?**
- What is the efficiency rating of the furnace(s)? What is the SEER rating of the AC unit(s)?**
- Are the appliances and/or lighting high efficiency?**
- Is the water heater insulated on the outside? Are the water lines insulated?**
- Is the attic vented properly with adequate roof/gable vents and soffit vents?**
- Is there a programmable thermostat?**

- **Request inspection reports for the home or business from the city or county building codes department**
 - **You can request all inspection reports for the home or business from the city or county codes department that will document the construction history of the home or business. These inspection reports will document and detail any major construction code violations for the life of the home or business.**
 - **By using these inspection reports, you have additional detail information for each home or business that you can further research to help make the best informed decision when you purchase your home or business**

□ Consider conducting very important inspections for the home or business such as whole house, termite, radon, and mold

- A whole house inspection will document all visible defects and problems that includes: lot & grounds, roof, exterior surfaces, structure, basement/crawlspace, attic, electrical, HVAC, plumbing and fireplace**
- A termite inspection will check for and document if there is any evidence of termite infestation and damage**
- A radon inspection will check for and document if there is any evidence of radon contamination and what levels of radon may be present**
- A mold inspection will check for and document if there is any evidence of mold contamination and what types and levels of mold may be present**

In summary, the most important question is: Do we invest more time and energy in evaluating and researching our home or business purchase by making a wise, informed buying decision? Or, do we purchase a home or business by appearance only, without research, and possibly end up over time being dissatisfied and paying a larger dollar amount to continually maintain and rebuild our home or business?

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