

## Fix your property or sell as is?

What do you do if you want to sell your home, but it is in need of repairs?

If this is the situation, you have a tough decision to make about what makes more financial sense.

Either you will have to delay selling the home and spend the money to get the property in tip-top shape, or you can place it on the market and take the knock on the asking price.

It goes without saying that a home in good repair will achieve a far higher selling price than one that needs attention, says Adrian Goslett of RE/MAX. "However, fixing a home will cost money and will delay the sale process by the amount of time it takes to complete the repairs," he adds.

Goslett says that there are those in the property market that are looking for homes in need of renovation because they are more affordable, and they will be able to renovate the home to their taste, however, this is more the exception than the rule.

"In most cases, homes that are in good repair will appeal to a greater number of buyers and will be sold in a shorter time frame than a home in need of repair. While it largely depends on the reasons that the homeowner is selling and when they need to sell the home by, taking the time to get the home into its best shape could pay off. A visually pleasing home will attract far more attention from potential buyers than one that is not well kept," says Goslett.

Most sellers will spend some time and money preparing the home to be sold, even if it is just a fresh coat of paint and clearing the clutter. Often the home may also require just a few easily repairable issues to be sorted out before it is ready to be sold.

However, what if more is required? To what extent should you be prepared to go before placing your home on the market?

"Is standard practice to paint the home and see to the necessary items that need fixing, however, what if the structure of the home is damaged or the entire roof needs to be replaced? These larger elements could pose a far greater challenge for potential sellers. In today's market, many buyers want to have the property inspected by a professional before they sign the sales agreement. Ideally, the seller should have the home inspected before they put it on the market to ensure they are fully aware of any potential issues that need to be addressed. They are morally obliged to inform their real estate agent and the potential buyer of any known defects," advises Goslett.

After the property has been professionally inspected and you have obtained a quote for the required repairs, you will have a much clearer picture of whether it is worthwhile fixing your home before placing it on the market or selling as is at a lower asking price.

"If the asking price of the property would decrease by as much as R100 000 or R200 000 but repairing the home would only cost around R50 000, then it would make more sense to delay the sale and have the repairs done before going to market," says Goslett.

"However, if the cost of the repairs is R50 000 and the asking price of the property will only change by R50 000, then it would seem more feasible to rather put the home on the market sooner and advise potential buyers of the repairs needed."

While cost is a factor, it is often not the only consideration that plays a part in the decision - timing is another crucial element to weigh in. Goslett says that major repairs will take time, which might not be a luxury that you have. If you have committed to another property, moving because of a job or immigrating, you may need to sell as soon as possible, which will obviously impact your final decision.

Depending on the situation, another consideration could also be the buyer. You might find a buyer who would prefer to do the repairs themselves because it will give them the opportunity to change certain elements in line with their own personal taste. In a case where the repairs are cosmetic by nature, the buyer may want to make the decisions as to how the repairs are done and what materials are used.

"Ultimately, regardless of the decision made, it is vital that all parties are fully aware of all the home's defects and are prepared to agree to the terms and conditions of the contract," Goslett concludes.

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