

# How to Avoid The 10 Biggest Mistakes Buying a New Home

By Sam Rashkin, R.A.





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## **Acknowledgments**

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## **Disclaimer**

The information provided on the Sam's Home Buying Tips web site and "How to Avoid 10 Biggest Mistakes Buying a New Home" guide represents the best professional judgment of the author based on 20+ years experience as an architect, 10+ years experience working with the nation's home building industry to establish more efficient building practices, and wide experience advising friends and clients on new home purchases. The information provided on this web site does not address all possible concerns involved in purchasing a new home and is not intended to guarantee that difficulties or problems won't be encountered with a

new home purchase based on the advice provided.

# Table of Contents

	<u>Page</u>
<i>Preface</i>	I
<i>Introduction: Oh My God...It's Time to Buy a House!</i>	1
<i>How to Use This Guide</i>	3
<i>Mistake No. 1 - Not Targeting Your Search:</i>	5
<i>Location, Location, Location</i>	
Location Checklist	7
<i>Mistake No. 2 - Not Fully Checking the Neighborhood:</i>	9
<i>Taking a Bird's Eye View</i>	
Neighborhood Checklist	11
<i>Mistake No. 3 - Not Fully Checking the Site:</i>	13
<i>Dream Property or Maintenance Hell?</i>	
Site Checklist	15
<i>Mistake No. 4 - Not Fully Checking the Exterior:</i>	17
<i>Beauty is Only Skin Deep</i>	
Exterior Design and Materials Guidelines	18
Exterior Design and Materials Checklist	19
Exterior Condition Checklist	20
<i>Mistake No. 5 - Not Fully Checking the Interior:</i>	21
<i>Taking a Closer Look</i>	
Interior Checklist	23
<i>Mistake No. 6 - Not Checking Home Performance:</i>	25
<i>How's This Baby Going to Run?</i>	
Home Performance Checklist	27
Home Performance: Other Factors to Consider	28
<i>Mistake No. 7: Not Staying Organized from the Start:</i>	29
<i>Who Can Remember the Details?</i>	
Property Comparison Table	31
<i>Mistake No. 8 - Not Visiting Top Choices Under Varied Conditions:</i>	33
<i>Who Needs Surprises?</i>	
Varied Conditions for Visiting Properties Table	34
<i>Mistake No. 9 - Not Getting the Right Expert Opinion:</i>	35
<i>Which Experts Do You Really Need?</i>	
Expert Opinion Table	37
<i>Mistake No. 10 - Not Evaluating the Deal:</i>	39
<i>Understand the Value of Each Property</i>	
Property Value Worksheet	41

## Preface

Over the past two decades I have had the opportunity to work closely with leaders in the home building industry all across the United States and with homeowners on hundreds of projects as a residential architect. As a result of this work, many friends have sought my help when buying homes. In addition, a real estate agent who became a dear friend and great source of referrals often asked me to advise her clients about the likely cost of architectural upgrades for homes under consideration. In the process of helping others, it often amazed me how much was left to chance and how many critical factors were missing in the home selection process. It was also frustrating to watch people routinely spend hundreds of dollars for home inspections when more specialized expertise on critical areas of concern would prove much more helpful to the purchase decision and negotiation process.

Based on this experience and three home purchases of my own, I have developed a system that addresses the most common major pitfalls selecting and making deals on new homes. Helping friends and family select great homes that have stood the test of time has been extremely rewarding.

Real estate agents and consulting attorneys are adept at taking clients through the sales transaction. However, if you haven't made a good choice, they are only executing a bad judgment for you and your family. This guide is designed to help you make a great home buying decision; one that is suited to your needs and resources. It's also about keeping the experience the exciting and fun adventure it should be. The resulting economic and emotional benefits can last a long time.

Enjoy the thrill of owning a great home; you deserve it!



## Introduction: Oh my god...it's time to buy a house!

Whether this is your first or umpteenth time buying a home, **don't panic**. Of course, it's natural to be anxious. A house is a place we raise children, make friends, nurture our physical environment and spend valuable time in our lives. Even though the average person buys a home only a few times in their lifetime, it is surprising how many important evaluation factors are ignored. In fact, people are often more rigorous scrutinizing much smaller acquisitions, such as automobiles, electronics or even household appliances. As a result, once the deal has closed, many homes don't meet expectations.

Unfortunate discoveries that can occur soon after purchase include high utility bills, annoying maintenance requirements, seasonal discomfort, poor indoor air quality (sometimes manifested as allergies and frequent colds) and annoying noises from a variety of internal and external sources. In addition, more significant disasters can be waiting to raise their ugly heads such as water damage, mold, erosion problems, leaky foundations, and cracked fireplace flues. Homeowners often wind up rationalizing these problems as part of home ownership and making necessary adjustments or expensive repairs to avoid the high costs of buying and selling again. However, surprises like these can and should be uncovered before purchase. Maybe you would have made the same home choice, but at least you go in with your eyes open and better prepared to negotiate a fair price.

There is too much riding on your next home purchase decision not to do it right. It often represents the biggest purchase of a lifetime! However, selecting a new home doesn't have to be a nerve-racking, high pressure, complicated process. Instead it can be an enjoyable exploration of exciting options and the chance to buy a home that best meets your special needs and budget. "How to Avoid the 10 Biggest Mistakes Buying a New Home" provides a simple approach that has successfully worked for friends, family and clients I've advised over the past two decades. It's designed to help you avoid major home buying pitfalls and target the most important criterion for getting the best possible home for you.

### What this guide does not do:

- ***Provide extensive discussion:*** this guide is designed for the home buyer who wants the bottom line without plowing through hundreds of pages of detailed text.
- ***Teach how to perform detailed construction, structural, mechanical and electrical inspections.*** It is recommended appropriate experts be hired where concerns need to be addressed.
- ***Teach how to arrange financing, calculate mortgage payments or determine what a home buyer can afford.*** Financial institutions, simple tables and low-cost computer software are all available for these purposes.
- ***Provide how-to instruction on making a real estate transaction.*** My advice is to do a good job selecting a real-estate agent and attorney and then trust them. That's what they're being paid for. If you want the "nuts and bolts", good Realtors and attorneys are usually excellent explaining this very complex process or refer to other books and web sites on this subject.
- ***Help distinguish between cities and regions to live.*** There are entire books and web sites devoted to the relative merits of living and working in different parts of the country.

## How to Use This Guide

Buying a home can seem overwhelming but doesn't have to be. This guide organizes the home selection process into ten common home buying mistakes observed by the author along with easy-to-use evaluation tools (e.g., checklists, tables and worksheets). The tools can be used with your own value judgments, and in some cases input from tables provided. You can also fine tune your effort by consulting local real estate agents, friends, research material, and specialized experts. Each tool is set up on a separate sheet that can be copied for use on multiple properties. An overview of each section of the guide follows below.

### ***Mistake No. 1 - Not Targeting Your Search:***

#### ***Location, Location, Location***

It is virtually impossible to look at all homes available in a metropolitan area. A checklist is provided to help you and your real estate agent focus on the most critical factors for determining the best location(s) for **your** specific needs.

### ***Mistake No. 2 - Not Fully Checking the Neighborhood:***

#### ***Taking a "Bird's Eye" View***

It is important to look closely at the many characteristics and adjoining land uses distinguishing specific neighborhoods under consideration. A detailed checklist is provided to help you uncover fatal flaws before, rather than after, your purchase.

### ***Mistake No. 3 - Not Fully Checking the Site:***

#### ***Dream Property or Maintenance Hell?***

It is easy to fall in love with a home site and miss many important details that significantly impact maintenance requirements, comfort, safety, and ultimately, your ability to enjoy owning the property. A checklist is provided to help you systematically evaluate each site under consideration.

### ***Mistake No. 4 - Not Fully Checking the Exterior:***

#### ***Beauty is Only Skin Deep***

Even where a home's overall appearance is impressive, a closer investigation can often reveal underlying quality and maintenance concerns. A checklist is provided to help you objectively get past the initial infatuation process and fully assess the quality of a home's architectural design, building materials and overall condition.

***Mistake No. 5 - Not Fully Checking the Interior:***

***Taking a Closer Look***

There is typically a big difference in materials and construction workmanship in homes under consideration. A checklist is provided to help you walk through a house and quickly assess many important details you need to determine overall quality.

***Mistake No. 6 - Not Checking Performance:***

***How's This Baby Going to Run?***

The quality of energy efficiency features in a home substantially impact utility bills, comfort, quiet, indoor air quality, and durability. A checklist is provided to help evaluate these performance features that are so important to overall homeowner satisfaction.

***Mistake No. 7 - Not Staying Organized from the Start:***

***Who Can Remember the Details?***

Many home buyers are too casual about their selection process choosing to simply leave details about each property visit to memory or cryptic notes. Yet, staying organized can reduce a lot of stress associated with making a home purchase decision. A table is provided to efficiently track each property visited.

***Mistake No. 8 - Not Visiting Top Choices Under Varied Conditions:***

***Who Needs Surprises?***

Once the property selection process gets narrowed down to a few homes, it's time to more carefully scrutinize each property under conditions that can expose hidden problems. A table is provided to help identify varied conditions for checking homes that can reveal less obvious, but important homeowner concerns.

***Mistake No. 9 - Not Getting the Right Expert Opinion:***

***Which Experts Do You Really Need?***

Contract offers are typically contingent on an acceptable home inspection report. However, the completed checklists from the sections above may reveal concerns better addressed by other experts. A detailed table lays out a wide range of concerns and the most relevant expert opinions that can help you evaluate them.

***Mistake No. 10 - Not Evaluating the Deal:***

***Understanding the Value of Each Property***

After successfully identifying a home that best meets your needs, it's time to submit a binding contract offer. However, too often, the basis for a home's price is not fully understood. A simple worksheet is provided to help you estimate a property's value so that you have more confidence in your final negotiations.

## Mistake No.1 - Not Targeting Your Search: Location, Location, Location

Looking for a place to live can be intimidating when confronted with the enormous range of options and tradeoffs available. Thus, it is critical to focus on a limited number of locations well matched to your most important priorities. Otherwise, you risk the common mistake of going in too many unproductive directions, and being pressured into making a less than optimal decision where burn-out starts to set in.

The first obvious step is to define your price range. This can easily be done by visiting one or more mortgage brokers, your accountant, or on-line financial service sites. However, regional cost factors such as taxes, transportation, private schools, college tuition and insurance can vary significantly and need to be considered.

The next step is to identify the location characteristics most important to you and/or your family's special needs. The 'Location Checklist' in this section helps accomplish this by providing a comprehensive set of criteria that can effectively target your search. Each criterion should be scored from 1 to 5, with '1' representing unimportant and '5' representing highly important. In addition, **Fatal Flaw** designations (FF) should be made for any criterion that must be fully addressed before a home location could be considered a viable option. For example, if you know that you would only consider a strictly limited set of school districts, schools should be designated with a 'FF'.

Your scoring should take into account the results of any research or other insight you have gained regarding local attributes. For instance, research may reveal specific locations where homes sell much faster and at higher appreciation. In other cases, research may show higher property value based on regionally important factors such as proximity to mass transit, desirable school district, lower crime rates, or arbitrary perceptions of higher "cache".

Once you have completed the checklist, it provides an excellent guide for you and your real estate agent to pick locations that will best meet **your** needs. It's important to recognize that scoring too many criteria as high priority or fatal flaw will not help you or your agent effectively target your search.



# Location Checklist

Criteria	Priority					
	1	2	3	4	5	FF
<b>1. General Characteristics</b> Type of Setting: Urban <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Suburban <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Rural <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Other _____ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Specific Religious/Ethic Mix Specify _____ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Predominant Income Level/Mix <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> General Political Orientation <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
<b>2. Education</b> Quality of: Grade Schools <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> College Education <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
<b>3. Safety</b> Exposure to: Violent Crime <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Theft Crimes <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Utility Power Plant <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Industrial Plants/Refineries <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
<b>4. Convenience</b> Proximity to: Work <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Family <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Friends <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Kid's Activities <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  Shopping <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Medical Services <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Highway(s) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Mass Transit <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  Airports <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Religious Facility <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Other _____ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
<b>5. Cultural Amenities</b> Theater <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Movies <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Museums <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Art and Music Courses <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Historical Areas <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Libraries <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Other _____ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						



## Mistake No. 2 - Not Fully Checking Neighborhoods: Taking a "Bird's Eye" Tour

Once one or more preferred locations have been identified, it's time to begin targeting specific neighborhoods. However, it's easy to get infatuated exploring new places to live and make the common mistake of not performing a detailed evaluation of all neighborhoods under serious consideration. This will typically require detailed street maps, a systematic drive around each neighborhood (e.g., 1 to 5-mile radius), numerous excursions out of your car to query residents, and in some cases visits to the local building department. In addition, satellite mapping now available on a number of web sites (e.g., Google Earth as well as several others that can be identified with a web search) provides the ability to take a "bird's eye" tour above a desired area right from your computer.

Visits to the local building department are particularly important for neighborhoods bounded by undeveloped land. In these cases, it's important to identify pending land uses that may have significant impacts, both good and bad. Potential projects of concern include land uses that generate lots of traffic (e.g., new highways, shopping malls, sports venues, etc.), and localized air pollution or noise (e.g., industrial projects, land fill sites, toxic cleanup activities and highways).

Additionally, local health factors concerning air and water quality should be considered. Although home buyers are typically restricted to specific regions, air quality can vary significantly due to micro-climate effects, prevailing winds, and adjoining land uses. In particular, neighborhoods near busy highways, military bases, landfills, and local airports can be more adversely affected by noise, air and ground pollution. Water quality can be checked by speaking to residents, contacting local water agencies, or having water tested in neighborhoods with wells.

The 'Neighborhood Checklist' provided in this section can help check each neighborhood under consideration. In some cases, important hidden conditions need to be uncovered (see Mistake No. 8). For example, rush-hour traffic may make neighborhood egress or access very difficult; a nearby manufacturing plant may produce highly annoying fumes only apparent when the wind blows from one direction; or undesirable views of adjoining highways or industrial activities may be exposed only during winter when trees lose their leaves.

This may sound like a lot of work, but it's better than being surprised after a home purchase by an existing condition that may limit enjoyment or reduce resale value.



# Neighborhood Checklist

Factor	Neighborhood:			
	Good	Acceptable	Bad	Intolerable
<b>1. Traffic Congestion</b> Rush-hour Traffic Impacts Nearby Religious Institutions Railway Crossing Delays Seasonal Shopping Traffic High-Use Facilities (i.e., stadium, schools, churches, etc.)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>2. Quality of Local Schools</b> School Test Scores % of Students Going to College After-School Activities School Funding Levels	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			
<b>3. Neighborhood Feel</b> Street-life Activities such as: Kids playing on street People recreating Social interaction  Home Upkeep Lawn Upkeep Types of Cars Parked Amount/Quality of Trees  Ease of Walking/Biking Neighborhood Parks Covenants/Restrictions Homeowner Association	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>4. Shopping Convenience</b> Neighborhood Shops Food Stores Services (i.e., barber, car repair) Shopping Centers	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			
<b>5. Noise</b> Highways/Busy Roads Proximity to Airport/Rail Traffic Proximity to Stadiums/Outdoor Music Venues	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			

## Neighborhood Checklist (continued)

<b>Factor</b>	<b>Neighborhood:</b>			
	<i>Good</i>	<i>Acceptable</i>	<i>Bad</i>	<i>Intolerable</i>
<b>6. Health</b> Incidence of Radon Systems <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Water Quality: Laboratory Test Results <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Upstream Pollution Sources <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Agricultural Pesticides <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Nearby Military Base <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Air Quality - Proximity to: Busy Roads <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Industrial Sites <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Airport <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Winter Wood Burning <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Agricultural Spraying <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Power Plant <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Land Fill sites <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Sewer Plants <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span>				
<b>7. Safety</b> Neighborhood Crime Statistics <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Incidence of Security Measures: Barred Windows <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Alarm Signs <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Other _____ <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Access (i.e., gated vs. open) <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Amount of Street Traffic <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Traffic Speed (not always related to posted speed) <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Dangerous Conditions: Abandoned Lots or Buildings <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Nearby Rivers <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Steep Hills <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Blind Street Curves <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span>				
<b>8. Utility Services</b> Public or Well Water <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Public Sewer or Septic <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Fuel Availability (i.e., natural gas, oil or just electric) <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Cable TV <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Trash Pick-up <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> Recycle Pick-up <input type="checkbox"/> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span> <span style="margin-left: 100px;"><input type="checkbox"/></span>				

## Mistake No. 3 - Not Fully Checking the Site: Dream Property or Maintenance Hell?

That first drive up to a prospective property is an emotional experience. And where there's an immediate connection, it's a common mistake to look past many important site conditions affecting the maintenance and use of the property. In fact, many features that are so attractive in the first place (e.g., long private drive, beautiful swimming pool, large lot with plenty of trees) can wind up to becoming a maintenance nightmare or distracting attention from other critical concerns.

Fully checking a site is an important but tricky process. For example, consider one of the most important factors homebuyers value, sites with large mature trees. The obvious benefits are the natural beauty, increased property value, and desirable shade during hot summer days. However, the picture is very incomplete without considering many negative characteristics associated with different tree species. Many trees with shallow roots make lawn maintenance a constant problem and are prone to toppling during windy or prolonged wet conditions. Trees with undesirable droppings (i.e., olives, walnut pods, etc.) can be a major nuisance because it's easy to stain inside floor coverings with residue carried on shoes. Fruit trees often require a lot more maintenance, particularly where they drop undesirable or too much fruit. In addition, fruit and nut trees also attract a wide variety of wild animals and rodents seeking their bounty. For example, birds eating cherries and squirrels eating nuts and fruit drop remains all around a site for months and can cause other damage seeking shelter in and around a home during cold weather. Many trees have a tendency to drop weak limbs (e.g., oak trees) that could be dangerous to children playing in the yard. Where trees grow too close to homes, they can block desired daylight, and their roots can also damage foundations, sewer lines, and utility connections. Trees nearing the end of their natural life spans or in bad health need to be checked because they are a safety concern and removal is very costly.

This detailed discussion of trees is intended to show how a site factor initially considered to be an attribute can quickly become a liability. In this spirit, the 'Site Checklist' included in this section helps you consistently assess nine important evaluation factors for each site under consideration. Where possible, sites under serious consideration should be visited under a variety of conditions that can reveal hidden liabilities (see Mistake No. 8). How difficult is access during adverse weather? How badly does water accumulate after heavy rainfalls? How badly do autumn leaves fill gutters and how accessible are they for cleaning?

Many specific site concerns uncovered will need the help of expert opinions to fully assess (see Mistake No. 9). For example, a landscape expert can check the health of trees, lawn and shrubs that appear stressed and explain relevant maintenance and safety factors; and a civil engineer can evaluate any potential drainage or erosion concerns.

Always keep in mind, the most important objective after you see your dream property is to scrutinize what it really takes to keep it that way and to ensure that it will meet all your expectations.





## Mistake No. 4 - Not Fully Checking the Exterior: Beauty is Only Skin Deep

Before horse traders buy a horse, they look beyond its obvious appearance. They carefully examine its teeth, posture, and feet, and look for any scars or wounds. When considering a home for purchase, you should similarly poke and prod at its exterior to truly assess its underlying quality and condition. However, it's a common mistake for many home buyers to become so infatuated with a home's appearance, they are blinded to many other important factors that affect their overall enjoyment of a home.

Two checklists are provided to help get past the emotion and objectively assess the exterior condition of each home under consideration. First, there is an 'Exterior Design and Materials Checklist' that can be completed using an 'Exterior Design and Material Guidelines Table' provided as reference. However, recognize that the generic guidelines provided reflect the author's emphasis on practicality and durability. They can be supplemented or replaced by opinions from other experts or your own research. For instance, wood shake is ranked the least desirable roofing material in this guide even though it is perceived as a premium choice by many designers and owners. This determination was made because wood shake roofing was considered too short-lived, and impractical in fire-prone or humid regions. Similarly, crushed granite is considered an attractive paving material by many landscape designers, but is rated the least desirable patio, walk or drive in this guide. This is because it cannot be easily cleared of snow, needs regular maintenance to avoid weed growth, and can lead to a lot of dirt being tracked indoors. The second checklist is the 'Exterior Condition Checklist' that helps examine critical components of a home's exterior based on easily observable areas of concern.

The checklists provided in this section are only intended to help make initial assessments for comparing different home choices. Once a home becomes a serious option for your final purchase, consider investing in the services of the most appropriate experts (see Mistake No. 9) based on specific areas of concerns identified in this checklist.

## Exterior Design and Material Guidelines Table

	Least Desirable	Good	Most Desirable
<b>DESIGN</b>			
<b>Style</b>	Eclectic appearance or arbitrary trend; overly complicated roof lines and facades; only front of home uses more expensive materials (facade architecture)	Good application of regional style	Matches personal preferences; attention to design on all four elevations; attention to detail; many functional features (i.e., covered entries)
<b>Fit to Site</b>	Design clashes with prevailing views, natural terrain, privacy concerns, property access, etc.	No obvious conflict with natural site conditions	Home takes advantage of views; materials blend well with surroundings
<b>Exterior Spaces</b>	No overhang or covered porches preclude sitting outside or keeping outdoor furniture and grills protected during bad weather	Some weather protected areas	Weather protected decks and porches allow for better use of exterior (i.e., sit in the shade and away from rain) and protected storage
<b>Natural Comfort</b>	Lots of west facing windows exposed to low sun that is hard to control and can heat adjoining rooms	Large percent of windows face south	Most windows face south with about 2-foot overhang (shades undesirable summer sun while allowing desirable winter sun inside)
<b>MATERIAL</b>			
<b>Window Frame</b>	Aluminum	Aluminum with Thermal-break; Vinyl	Wood; Wood with vinyl or aluminum cladding
<b>Window Glass</b>	Single Pane	Double Pane	Double Pane with Low E coating and inert gas fill
<b>Siding</b>	Processed Wood; Plywood	Vinyl; Aluminum; Stucco	Milled wood; Masonry; Cement fiber siding
<b>Trim</b>	Minimal, low quality wood	Accentuate design with good quality wood, or plastic trim	Accentuate design with good quality wood or cement fiber trim
<b>Roofing</b>	Wood Shake	Asphalt or Fiber Glass 30-year shingle	Tile; Stone; Cement; Asphalt Shingle (40-yr.)
<b>Patio/Walks</b>	Crushed Granite	Spaced Stone (e.g. slate); Concrete	Brick/Stone on concrete slab or loose fill

# Exterior Design and Materials Checklist

(Complete one for each address)

<i>Home Address:</i>	Quality Assessment (Check One)			
	Least Desirable	Good	Most Desirable	Don't Know
<b>EXTERIOR DESIGN FACTOR</b>				
Style				
Fit to Site				
Exterior Spaces				
Natural Comfort				
<b>MATERIALS</b>				
Window Frame				
Window Glass				
Siding				
Trim				
Roofing				
Patios/Walls				

<i>Home Address:</i>	Quality Assessment (Check One)			
	Least Desirable	Good	Most Desirable	Don't Know
<b>EXTERIOR DESIGN FACTOR</b>				
Style				
Fit to Site				
Exterior Spaces				
Natural Comfort				
<b>MATERIALS</b>				
Window Frame				
Window Glass				
Siding				
Trim				
Roofing				
Patios/Walls				

## Exterior Condition Checklist

Based on your best judgment, note a "check" next to any area of concern that appears to be a problem, or a question mark if you are not sure, but feel further investigation is warranted. Where there are numerous checks and question marks, an expert (e.g., home inspector) can assist in your final evaluation.

<b>Home Address:</b>		
<b>Exterior Feature</b>	<b>√ OR ?</b>	<b>Area of Concern to Look For</b>
<b>Foundations</b>		Obvious cracks that could indicate settling damage
		Obvious chips that may need to be repaired
		Discoloration that could indicate water damage
<b>Siding/Soffits</b>		Cracks that need repair or may be causing water damage
		Discoloration indicating water damage
		Chips and flaking indicating the need for a new paint job
		Wood with soft areas indicating dry rot
		Warped surfaces
<b>Trim</b>		Quality of fit at all joints, corners, and special details
		Tightness of joints
		Warping
		Chipping and flaking indicating the need for a new paint job
<b>Window Frames</b>		Damage that needs repair
		Soft areas indicating dry rot
		Chips and flaking indicating the need for a new paint job
		Ease of opening and closing
<b>Window Glass</b>		Presence of screens at all operable windows
		Cracks, scratches or small holes at any windows or screens
		Whether single pane, storm windows, double pane, or Low-E
<b>Doors</b>		Chips and flaking indicating the need for refinishing
		Discoloring indicating weather damage
		Ease of operation
		Dead-bolt hardware at all main entry doors
<b>Roof</b>		General wear-and-tear
		Misshapen or warped shingles
		Discoloration
<b>Gutter Systems</b>		Obvious leaks
		Sagging areas
		Damaged areas
		Incomplete down spouts, end pieces, etc.
<b>Patios/ Walkways/ Driveways</b>		Cracking
		Disfigured areas cause settling or tree root damage
		Damage that needs repair
		Discoloration indicating drainage problems

## Mistake No. 5 - Not Fully Checking the Interior: Taking a Closer Look

It is easy to get excited about a prospective new home as you walk through it. That's great; the home buying process should be enjoyable. However, it's a common mistake to not scrutinize the quality and condition of interior materials and finishes for each home under serious consideration. The 'Interior Checklist' included in this section is designed for just this purpose. It will guide you through a systematic audit of the home's interior including a close look at primary finishes, overall layout, structural problems, evidence of water damage.

Completing the checklist will require you to use best judgment about interior construction details. What is the quality of the door, window and baseboard wood trim (e.g., minimum standard 2  $\frac{1}{4}$ " vs. thicker and wider custom trim)? What is the quality of the doors (e.g., cheap hollow core doors vs. real wood paneled doors)? What is the quality of the cabinet construction (e.g., minimum grade particle board construction with stapled corners vs. higher grade real wood construction and corners connected with mortise and tendon joints)? What is the quality of the cabinet hardware (e.g., light grade surface mounted hinges vs. heavier gauge recessed hinges)? What is the quality of the door hardware (e.g., flimsy minimum grade knobs vs. heavier gauge designer knobs)? What is the quality of the electric wall plates, switches and outlets (e.g., cheap plates, toggle switches and outlets vs. designer plates, switches and outlets)? What is the quality of the kitchen and bathroom counters (e.g., cheap laminate or higher-grade monolithic stone and man-made materials)? If you feel that you are not prepared to make these judgments, it would only take a short time walking the aisles of the nearest 'large box' hardware store (e.g., Home Depot, Home Expo, or Lowes) to get a quick education. Questions about layout, structural condition and water damage can easily be assessed by simply looking closely for the items listed on the checklist.

Note that items are listed once assuming consistent construction throughout the home, but can vary from room to room or across sections of a home that has been remodeled. If variations are observed, you should provide separate notes on the checklist. If a number of concerns or questions remain after completing the checklist, an experienced home inspector can provide additional input (see Mistake No. 9).

So, if you fall in love with a home, make sure to take a deep breath, relax, and use the checklist in this section to check the interior.



# Interior Checklist

Complete the simple checklist below for each property being considered based on your best judgment. This is intended to help you quickly assess the most critical interior components without getting lost in too much detail. You'll be surprised how, even with limited knowledge, this checklist can help you compare different homes.

<i>Home Address:</i>	<b>Quality Assessment (Check One)</b>			
	<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Don't Know</b>
<b>FINISHES</b>				
Floor Coverings				
Wall Paint Finish				
Wall Coverings				
Electrical Outlets/Plates				
Amount of Built-in Cabinets				
Quality of Built-in Cabinets				
Cabinet Hardware				
Door Hardware				
Door Trim				
Window Coverings				
Window Trim				
Interior Lighting Fixtures				
Exterior Lighting Fixtures				
Kitchen Appliances				
Kitchen Plumbing Fixtures				
Kitchen Counters				
Bathroom Finishes				
Bathroom Plumbing Fixtures				
Bathroom Counters				
<b>LAYOUT</b>				
Overall Flow				
Room Sizes				
Proximity of Kitchen to Garage				
Convenience of Kitchen to Family Room				
Amount of Storage				
Privacy Between Bedrooms				
Access to Natural Light				
Access to Exterior (e.g., deck, pool, etc.)				
Convenient/Private Bathrooms				
<b>STRUCTURAL CONDITION</b>				
Level Floors				
Cracks at Ceiling, Windows, Doors, etc.				
Sagging (i.e., over windows, garage door)				
<b>WATER DAMAGE</b>				
Discolored Finishes				
Warped Surfaces				
Musty Smell				



## Mistake No. 6 - Not Checking Performance: How's This Baby Going to Run?

If you have not heard of home performance, you are in good company. It is a new concept being promoted to homeowners nationwide. It is a common mistake to ignore this important attribute because it can have a significant impact on how well we enjoy living in our homes.

A high-performance car is valued for many driving factors including ability to hold the road, take tight turns, provide power on demand, and protect passengers. Similarly, a wide range of energy efficiency features can improve a home's performance. Specifically, a home that performs well is comfortable in extreme weather conditions as well as evenly across all rooms, free of drafts during windy weather, quiet with minimal noise from both external and internal sources, healthy to live in, and affordable due to low energy bills.

Many important energy efficiency measures contribute to high performance homes including tightly sealed construction assemblies and duct systems, effective levels of insulation properly installed, high-efficiency equipment, lighting and appliances, and properly sized heating and cooling equipment. Brand new homes and recently constructed homes that have earned ENERGY STAR label typically include all of these measures verified with third-party inspections in accordance with strict guidelines for energy efficiency established by the U.S. Environmental Protection Agency.

For older and newer homes without the ENERGY STAR label, a Home Performance Checklist is provided to help evaluate each home's energy efficiency measures. This will require inspection of attics and basements as well as asking for information where energy features cannot be readily observed. Note that the recommended specifications included on the checklist assume significant heating and cooling loads. You should use your own judgment or solicit expert advice to adjust these recommendations for very mild or extreme climates. Note, where it can be verified that a home is ENERGY STAR qualified, the top line allows you to indicate this with a check. In this case, it would not be necessary to complete the remaining checklist since the ENERGY STAR label provides assurance that the home meets most if not all of the desired levels for energy efficiency measures.

When looking at resale homes, you can get a quick indication of home performance by first reviewing prior year utility bills. Be sure to ask for them where not

provided. Excessively high bills of course raise questions. However, utility bills alone don't account for many behavioral factors that can contribute to high or low monthly energy costs such as how comfortable inside temperatures were maintained; how much wood heating was used; how many people lived in the home; and how much traveling and work kept occupants away.

If you have concerns about high energy bills, or the quality and condition of the energy efficiency features, consider contacting a professional Home Energy Rating System (HERS) rater for a more detailed assessment. Certified HERS raters follow national guidelines for auditing homes and making recommendations for cost-effective energy efficiency improvements (see Mistake No. 9 for more information).

Note that the cost of adding energy efficiency upgrades after purchase can be added to a mortgage with no extra down payment using an Energy Improvement Mortgage (EIM). The result can be a substantial increase in monthly cash-flow where the small monthly increase in mortgage for energy efficiency upgrades is significantly exceeded by the savings in the monthly utility bill. For instance, if energy efficiency improvements result in \$40 per month savings on utility bills, but only add \$15 to the monthly mortgage, you pocket \$25 every month or \$300 per year. And your home is likely to be more comfortable, durable, and healthier. If interested in financing energy efficiency improvements, consult your mortgage broker for more information about EIMs and note that a HERS rating is typically required. Since many brokers are not familiar with EIMs, be persistent because this is the only way to include the cost of adding cost-effective energy efficiency upgrades in a new home mortgage.

Information is also provided in this section on more advanced performance concepts on a table called 'Home Performance: Other Factors to Consider'. For instance, homes perform best when most windows face south. This is because south-facing windows capture more desirable winter sunlight, can be easily shaded from the high summer sun, and are much preferred to west and east facing windows that allow annoying glare and intense heat gain in the summer (the morning and afternoon sun are extremely low in the sky, and therefore, difficult to control).

Evaluating home performance is very important, often neglected, but worth the effort.

# Home Performance Checklist

Complete the simple checklist below for each property being considered by checking one item in each row based on your best judgment.

<b>Home Address:</b>						
<input type="checkbox"/> Home is labeled ENERGY STAR (no need to complete rest of checklist)						
Energy Feature	Below Minimum	Minimum Level (most parts of country)		Desired Level (most parts of country)		Don't Know
<b>Insulation:</b>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
➤ Wall	<input type="checkbox"/>	<input type="checkbox"/>	R-13	<input type="checkbox"/>	R-13 - R-19	<input type="checkbox"/>
➤ Attic	<input type="checkbox"/>	<input type="checkbox"/>	R-30	<input type="checkbox"/>	R-30 - R38	<input type="checkbox"/>
➤ Crawl Space	<input type="checkbox"/>	<input type="checkbox"/>	R-11	<input type="checkbox"/>	R-19 - R30	<input type="checkbox"/>
➤ Basement	<input type="checkbox"/>	<input type="checkbox"/>	R-10	<input type="checkbox"/>	R-13	<input type="checkbox"/>
➤ Slab Edge	<input type="checkbox"/>	<input type="checkbox"/>	R-5 to frost line	<input type="checkbox"/>	R-7 to frost line	<input type="checkbox"/>
<b>Air Infiltration</b>	<input type="checkbox"/>	<input type="checkbox"/>	All obvious gaps caulked and sealed	<input type="checkbox"/>	Blower door tested tight (<.35 ACH)	<input type="checkbox"/>
<b>Windows:</b>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
➤ Frame	<input type="checkbox"/>	<input type="checkbox"/>	Aluminum	<input type="checkbox"/>	Vinyl or Wood	<input type="checkbox"/>
➤ Glass	<input type="checkbox"/>	<input type="checkbox"/>	Warm Climates: single pane tinted Cold Climates: double pane	<input type="checkbox"/>	Everywhere: double pane low-E	<input type="checkbox"/>
<b>Heating Equipment Efficiency</b>	<input type="checkbox"/>	<input type="checkbox"/>	80% AFUE furnace/boiler or 7.0 COP heat pump (recommend minimum in warm climate)	<input type="checkbox"/>	90% AFUE direct vent gas furnace/boiler, or 85% AFUE oil boiler, or Geothermal heat pump	<input type="checkbox"/>
<b>Cooling Equipment Efficiency</b>	<input type="checkbox"/>	<input type="checkbox"/>	SEER 10 - 12 air conditioner or heat pump (recommend minimum in cold climate)	<input type="checkbox"/>	SEER 13 air conditioner or heat pump (SEER 13 is now minimum standard)	<input type="checkbox"/>
<b>Ducts:</b>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
➤ Insulation	<input type="checkbox"/>	<input type="checkbox"/>	R-5	<input type="checkbox"/>	R-8	<input type="checkbox"/>
➤ Leakage	<input type="checkbox"/>	<input type="checkbox"/>	Visually checked for no major leaks	<input type="checkbox"/>	Measured air-tight	<input type="checkbox"/>
➤ Flow	<input type="checkbox"/>	<input type="checkbox"/>	Rooms checked for uniform comfort	<input type="checkbox"/>	Pressure balanced	<input type="checkbox"/>
<b>Thermostat</b>	<input type="checkbox"/>	<input type="checkbox"/>	Non-programmable	<input type="checkbox"/>	Programmable w/dual setback; non-programmable with heat pump	<input type="checkbox"/>
<b>Water Heater</b>	<input type="checkbox"/>	<input type="checkbox"/>	Gas: power vented with .56 EF Elec.: .88 EF with R-11 insulation wrap	<input type="checkbox"/>	Gas: power vented with .6 EF Elec.: .90 EF with R-11 insulation wrap	<input type="checkbox"/>
<b>Attic Ventilation</b>	<input type="checkbox"/>	<input type="checkbox"/>	5 sq. ft. soffit and 5 sq. ft. gable vent	<input type="checkbox"/>	5 sq. ft. soffit and 5 sq. ft. ridge vent	<input type="checkbox"/>

## Home Performance: Other Factors to Consider

There are numerous other factors to consider that will also affect home performance. Some of the most critical are discussed below.

<b>Energy Feature</b>	<b>Other Factors to Consider</b>
<b>Heating and Cooling System Diagnostics</b>	Extensive field data has shown a majority of heating and cooling systems have improper air flow and refrigerant charge along with extensive duct leakage. These system problems can dramatically reduce overall efficiency, comfort, and indoor air quality while also leading to costly moisture problems. Calling in a certified mechanical or home performance contractor to perform diagnostics can reveal opportunities for valuable system adjustments that are not too costly.
<b>Heating and Cooling Equipment Sizing</b>	It is common practice to oversize heating and cooling equipment. With energy efficiency upgrades such as increased insulation, caulking and sealing, and advanced low-E windows, current equipment sizing practices will lead to even more oversizing. Oversized equipment operates much more sporadically. This will result in much less humidity control in summer, lower efficiency (higher energy bills) and decreased life span. Thus, when replacing heating and cooling equipment, check with the installer to be sure accepted sizing procedures (ACCA Manual J and S) have been used.
<b>Interior Ventilation</b>	Tightly constructed homes need adequate supplies of fresh air and moisture removal for healthy indoor conditions. Thus, tightly constructed homes should be equipped with some form of fresh air ventilation. These can range from simple systems such as a continuous operation bathroom fans or outdoor air intakes tied into the return duct, to separate whole-house ventilation systems. In addition, all homes should have spot ventilation systems (exhaust fans) to remove excessive moisture from bathrooms and kitchens. Energy efficient ventilation fans are much quieter and more durable.
<b>Solar Orientation</b>	Homes with most windows facing south are more comfortable because this window orientation allows solar heating from the low winter sun along with easy shading of high summer sun with simple overhangs. West and east facing windows are much more troublesome because intense summer sun is too low to shade, and there is minimal cold weather benefit since the sun barely reaches the east and west during winter. You could use a compass to check south orientation, or you can note the sun's direction at mid-day (e.g., noon).

## Mistake No. 7 - Not Staying Organized from the Start: Who Can Remember the Details?

Once the home buying process begins, it's a common mistake to simply start looking at lots of properties without any system for comparing them. Many people simply rely on memory or cryptic notes. This can be particularly problematic over an extended time period when it's easy to confuse the many different homes visited.

A lot of stress can be removed from the home buying process by starting immediately with a consistent method for comparing critical attributes across all properties of interest visited. This section of the guide provides a 'Property Comparison Table' that allows you to list each property visited and assign a score of 1 to 10 for critical attributes by summarizing prior checklists from sections 2 through 6. A guidance chart for scoring each checklist attribute relative to your needs is also provided below. Note that a 'one' indicates completely unsatisfactory and a '10' means outstanding.

Checklist Subject	Score 1-3	Score 4-7	Score 8-10
<b>Neighborhood</b>	Neighborhood does not address any of your major needs.	Neighborhood addresses some of your major needs,	Neighborhood addresses most or all of your major needs.
<b>Site</b>	Numerous concerns about condition and maintenance requirements.	Some concerns about condition and maintenance requirements.	Site is in great condition with no obvious maintenance concerns.
<b>Exterior</b>	Numerous concerns about condition and maintenance requirements.	Some concerns about condition and maintenance requirements.	Exterior is in excellent condition with no major concerns visually obvious.
<b>Interior</b>	Numerous concerns about condition and quality of materials and finish.	Some concerns about condition and quality of materials and finish.	Excellent quality materials and finishes with no obvious concerns.
<b>Performance</b>	Very high utility bills and significant concerns about quality of heating and cooling system, construction, and insulation levels.	Moderate utility bills with some concerns about quality of heating and cooling system, construction, and insulation levels.	Low utility bills with high-performance heating and cooling system and very energy efficient construction.







## Mistake No. 8 - Not Checking Varied Conditions: Who Needs Surprises?

Once the new home search is narrowed down to the most desired properties (e.g., less than three), it's a common mistake not to check what they are really like without "all the make-up". During open houses people, real estate agents and owners work hard to show properties in their best light. Techniques to dress up homes include planting new flowers and shrubs, applying a fresh coat of paint, piping in music and adding the smell of freshly baked cookies. I've even seen properties dressed up with a quick layer of annual rye grass in winter that will die early in the summer.

So, once you have ascertained a genuine interest in a property, it's time to look beyond the window dressing. What's it like under the most challenging conditions or even normal everyday conditions not obvious during prime-time visits (e.g., weekend days during good weather). The 'Checking Varied Conditions Table' in this section provides general guidance on 'real-life' conditions to check, if for no other reason, to avoid surprises after purchase. Be creative during this process. For instance, if you cannot actually get to a property during a special event held nearby or bad weather, you can get a lot of insight by simply stopping and asking local neighbors on the street targeted questions. Lastly, use your judgment to identify which conditions are most relevant to properties under concern.



## Checking Varied Conditions Table

Condition to Consider	Examples	What to Look For
<b>Harsh Weather</b>	<ul style="list-style-type: none"> <li>• Heavy rain</li> <li>• Black ice</li> <li>• Snow</li> <li>• Intense heat (e.g., late afternoon west sun)</li> <li>• High winds</li> </ul>	<ul style="list-style-type: none"> <li>• Access to the property or neighborhood</li> <li>• Erosion concerns</li> <li>• Maintenance requirements (e.g., shoveling snow, raking leaves, etc.)</li> <li>• Ability to maintain comfort</li> <li>• Repairs needed but not obvious under normal conditions</li> <li>• Landscaping impacts (e.g., risks of trees falling or leaving large debris)</li> </ul>
<b>Regular Heavy Traffic Conditions</b>	<ul style="list-style-type: none"> <li>• Rush-hour</li> <li>• Train crossings</li> <li>• Mass transit stations</li> <li>• Schools</li> <li>• Religious institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience getting in and out of neighborhood</li> <li>• Propensity to attract speedy drivers</li> <li>• Noise Impacts</li> <li>• Nuisance from extra cars parked on streets</li> <li>• Exposure to loitering</li> </ul>
<b>Nearby Large Public Event Venues</b>	<ul style="list-style-type: none"> <li>• Shopping malls with heavy holiday traffic</li> <li>• Sports stadiums</li> <li>• Tournaments held at Local Park or Recreation Facilities</li> <li>• Outdoor concert facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience getting in and out of neighborhood during events</li> <li>• Noise impacts</li> <li>• Nuisance from extra cars parked on streets</li> <li>• Exposure to loitering</li> <li>• Bright night lights</li> </ul>
<b>Off Hours</b>	<ul style="list-style-type: none"> <li>• Late-night</li> <li>• Early week-end mornings</li> </ul>	<ul style="list-style-type: none"> <li>• Barking dogs</li> <li>• Loud neighbors (e.g., music, drums, lawn equipment)</li> </ul>



## Mistake No. 9 - Not Getting the Right Expert Opinion: Which Experts Do You Really Need?

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It is a common mistake to simply assume a traditional home inspection is all you need to validate a purchase decision. A home inspection can provide an objective and valuable audit, but qualifications of home inspectors are typically limited to a general background in home construction. However, the checklists completed in the earlier sections often reveal critical concerns better addressed by one or more specialized experts in addition to, or in lieu of, the home inspection.

The 'Expert Opinion Table' provided in this section lists many of the concerns that can be uncovered using this guide, which expert services address these concerns, and special considerations related to their services. Getting the right expert input can help identify significant maintenance cost liabilities, provide leverage for securing a better deal, or ensure needed repairs are made under the seller's watch rather than yours. These additional expert opinions should be considered an important part of your home purchase decision and negotiation process.



## Expert Opinion Table

Concern	Expert Opinion	What to Consider
<b>Overall Condition</b>	<b>Home Inspection:</b> A detailed audit looking for general condition of structure, electric and mechanical systems along with identifying any obvious areas with decay or water damage. This is particularly useful for older homes.	<ul style="list-style-type: none"> <li>Look for experience and credentials such as American Society of Home Inspectors (ASHI) certification.</li> <li>Don't use Realtor recommended inspector to avoid potential conflict of interest.</li> <li>For older homes look for inspectors who can identify the presence of asbestos (pre-1970), or lead paint (pre-1978), and provide guidance for necessary remediation.</li> </ul>
<b>Exposure to Pest Damage</b>	<b>Termite Inspection:</b> Inspection looking for existing damage from termites, carpenter ants, and other pests, and in some cases, evidence of dry rot.	<ul style="list-style-type: none"> <li>This inspection is provided by the home seller in some markets.</li> <li>Be especially concerned with properties in high-risk areas (e.g., subterranean termites near wooded areas, Formosan termites in the Gulf States)</li> </ul>
<b>Exposure to Radon</b>	<b>Home Inspection:</b> This is typically provided by a home inspector who provides a test kit and mailer to be sent to a certified lab.	<ul style="list-style-type: none"> <li>Radon tests should be of most concern in parts of the country with granitic soil (consult EPA web site for detailed maps identifying high-risk regions).</li> <li>Follow up with long-term test after move-in.</li> </ul>
<b>Roof in Disrepair</b>	<b>Roof Inspection:</b> A local roofing contractor can provide input on the condition, longevity and replacement cost for an old roof.	<ul style="list-style-type: none"> <li>Factor old roofs (&gt;15 years) into the bid price because replacement very costly.</li> <li>If considering an immediate roof replacement, this expert opinion can be secured for free as part of a bid.</li> </ul>
<b>High Utility Bills</b>	<b>Home Energy Rating System (HERS) Rater Inspection:</b> This inspection examines energy efficiency features and equipment and performs diagnostic testing to determine the amount of air infiltration and duct leakage. The rating report provides an energy efficiency score and list of cost-effective energy efficiency improvements.	<ul style="list-style-type: none"> <li>Look for a HERS provider accredited by the Residential Energy Services Network (RESNET). A full list of accredited providers is on the RESNET web site (<a href="http://www.natresnet.org">www.natresnet.org</a>).</li> <li>High utility bills can indicate numerous construction quality problems.</li> <li>HERS ratings typically cost \$250 to \$800 and are needed for an energy improvement mortgage (EIM) that allows energy improvements to be included in a new mortgage.</li> </ul>
<b>Water Damage</b>	<b>Assorted Experts:</b> An inspection to diagnose source of water problem and cost of necessary repairs.	<ul style="list-style-type: none"> <li>Leaky roof (call roofing contractor).</li> <li>Mold or mildew suggesting moisture or condensation inside wall/floor/roof assembly (call mold expert)</li> <li>Wet basement (call foundation expert)</li> </ul>

## Expert Opinion Table (continued)

Concern	Expert Opinion	What to Consider
<b>Old Heating and Cooling System</b>	<b><u>Heating and Air Conditioning Contractor:</u></b> A detailed check of the heating and cooling equipment including safety concerns, operating conditions, integrity of heat exchanger, and refrigerant charge. In addition, some contractors can also examine or test for duct leakage.	<ul style="list-style-type: none"> <li>• Look for contractors who have special certifications such as North American Technical Excellence (NATE at <a href="http://www.natex.org">www.natex.org</a>) or local utility programs.</li> <li>• A separate duct leakage test can be especially important in many homes since the duct systems can leak more than 20 to 30 percent of all the heated and cooled air. These leaks can cause comfort, air quality and durability problems.</li> </ul>
<b>Structural Problems</b>	<b><u>Structural Engineer:</u></b> An inspection and engineering calculations to determine extent of problem(s) and cost for any needed repairs.	<ul style="list-style-type: none"> <li>• Sagging beams, floors, or ceiling</li> <li>• Significant cracks in wall, foundation, floor or attic</li> <li>• Misaligned walls</li> </ul>
<b>Old Fireplace</b>	<b><u>Chimney Sweep Inspection:</u></b> Inspection to check the integrity and current condition of fireplace and wood stoves along with their exhaust flues.	<ul style="list-style-type: none"> <li>• Consider this inspection where there are concerns about past diligence providing regular fireplace cleaning or old age.</li> <li>• Look for cracked flues since these are very expensive to repair with stainless steel inserts.</li> </ul>
<b>Old or Damaged Large Trees</b>	<b><u>Arborist or Landscape Consultant:</u></b> Inspection to identify all liabilities with large trees on property.	<ul style="list-style-type: none"> <li>• Trees are a wonderful asset, but can provide numerous hidden costs, safety, and maintenance concerns.</li> <li>• Decaying trees are very expensive to remove (e.g., \$1,000's).</li> </ul>
<b>Evidence of Erosion</b>	<b><u>Drainage Inspection:</u></b> A civil engineer or landscape expert inspection to identify any drainage problems and related structural concerns.	<ul style="list-style-type: none"> <li>• If there is any evidence of erosion, this inspection can provide critical insight into potential long-term costly repairs.</li> <li>• Drainage problems are most evident after heavy storms.</li> <li>• Steep sites have a high risk of soil erosion.</li> </ul>
<b>Home Needs Addition or Remodeling Work</b>	<b><u>Architects/Certified Designer:</u></b> Professional input on the viability of making desired architectural modifications and probable cost.	<ul style="list-style-type: none"> <li>• It is not uncommon for many home buyers to experience difficulty finding a home that meets all of their needs.</li> <li>• The cost of future improvements may be needed to fully assess affordability.</li> </ul>
<b>Higher Price than Planned</b>	<b><u>Mortgage Broker:</u></b> A quick check of your income and liabilities to ensure affordability.	<ul style="list-style-type: none"> <li>• It's often worth stretching to get into a property with higher appreciation potential, particularly if you expect your income to grow.</li> </ul>

## Mistake No. 10 - Not Evaluating the Deal: Understand the Value of Each Property

Real estate pricing is a daunting to understand for many reasons including:

- estimating cost appears to involve a lot more "feel" than science;
- it's a constantly moving target;
- the many variations in improvements and lots among comparable properties make direct comparisons all but impossible; and
- all the improvements associated with each property can be difficult to value, especially in established neighborhoods.

But, it's a common mistake to not even try.

As with any large problem, the secret is to break it down into manageable chunks. The 'Property Value Worksheet' included in this section does this with a system for identifying and finding sources of the component costs associated with each property. The components included are the unimproved property (e.g., land cost), the hard construction cost (e.g., basic finished home), and the value of other amenities (e.g., landscaping, walkways, pools, etc.).

One of the best uses of this worksheet is to compare the values of different homes under consideration. Typically, this will require working backward from the asking price to identify the cost of the land as a basis for comparison. This is because it is typically easier to estimate the cost of construction and amenities than the price of land. Construction cost can be calculated by multiplying a rough cost per square foot (numerous sources are listed to help with the estimate) by the size of the home (provided on most flyers, advertisements and multiple listing). Even if exact costs per square foot vary from your estimates, it is the relative cost differences between properties that are important. The cost of amenities such as decks, pools and porches can be easily estimated by consulting the sources listed and depreciating based on age and condition. To determine land cost, subtract the estimated cost of construction and amenities from the total property cost.

This process has helped friends and my own family find homes at great prices and avoid overpaying for other homes in the throws of an emotional infatuation. Even if not precise, it's so important to at least estimate the value basis for the largest purchase of a lifetime.

# Property Value Worksheet

## Step One: Determine the Value of Unimproved Property (Land)

### Sources of information:

Realtors  
 Newspaper Real Estate  
 Advertisements for 'raw' land  
 Advertisements for properties  
 with dilapidated ('tear down')  
 homes  
 Local Builders  
 Local Architects

### Factors to Consider:

Location  
 Size  
 Views  
 Quality/Quantity of Mature Trees  
 Visual and Noise Privacy  
 Drainage  
 Topography  
 Availability/Quality of Services:  
 Water, Electric, Fuel (Gas, Oil,  
 Propane), Sewage, Waste Disposal

Estimated Land Cost:

## Step Two: Determine Value of Constructed Home

### Size of Home (finished square feet)

(see multiple listing, floor plans, or Realtor, or take rough  
 measurements)

multiplied by

### Estimated Hard Cost/Square Foot

### Sources of information:

Home industry magazines  
 Local Builders  
 Local Architects  
 Realtors  
 Appraisers

### Quantity/Quality/Wear:

Exterior Finishes/Trim/Windows  
 Interior Finishes/Trim/Hardware  
 Floor Coverings  
 Cabinets, Hardware, Counters  
 Plumbing Fixtures/Sinks/Tubs  
 Appliances  
 Lighting  
 Electric Switches/Plates  
 Security System,  
 Advanced Wiring  
 Heating/Cooling Equipment  
 Other \_\_\_\_\_

Size:

X

Cost/Sq.Ft.:

=

Hard Cost of Home:

## Step Three: Estimate Value of Other Amenities:

### Sources of Information:

Realtor  
 Multiple Listing Service  
 Home industry magazines  
 Home Improvement Contractors

### Factors to Consider:

Presence/Size of Garage/Carport  
 Presence/Size of Porches (open or  
 screened) attached to home  
 Patios/Decks  
 Pool, Built-in Spa/Hot Tub  
 Other \_\_\_\_\_

Value of Amenities:

## Step Four: Determine Value of Home

Est. Land Cost

+

Hard Cost of Home

+

Value of Amenities

=

Total Value:



## **About the Author:**

Sam Rashkin, a professional architect, is a nationally recognized expert in high-performance homes. As National Director for ENERGY STAR labeled Homes since 1994, he has trained thousands of builders across the country on techniques to make new homes more affordable, comfortable, healthy and durable with state-of-the-art building practices. In recognition of this work, "Professional Builder", the nations leading home building publication, recently honored Sam as a "Trail Blazer" in the new home construction industry. Sam has designed over a hundred residential projects ranging from single family homes to large multifamily buildings. He has authored and co-authored 100's of articles, technical papers, and books covering a wide range of topics on home construction and performance. His knowledge and sage advice have helped numerous clients, friends and family members purchase homes that have stood the test of time. Now, he is bringing this expertise to home buyers nationwide.

