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RED FLAGS FOR BUYING A HOUSE

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If every transaction and home was squeaky clean, then we really wouldn't need lawyers, home inspectors, Realtors and other professionals to assist and protect us through the process. There are hundreds of things that can be problematic in a house or with the deal itself. Below are a few **RED FLAGS** that should pique your attention when buying a house.

PLEASE NOTE: These items are only red flags. They are not necessarily problems, but, should be a trigger to do a little more research.

- 1 **CURRENT OWNER ASSUMED THEIR MORTGAGE** – assumable mortgages have been an easy way for unscrupulous people to purchase homes without using a bank. This is becoming less common as it is now more common to have to qualify for a mortgage regardless of being an assumable or not.
- 2 **LOW DOWN ASSUMABLE OFFERED** – the terms of the mortgage may be onerous or the house possibly overpriced.
- 3 **STAINED BASEMENT ITEMS** – water stains on any item in the basement should be questioned.
- 4 **NEWLY FINISHED BASEMENT** – this is a common way to hide past problems.
- 5 **ODD SMELL** – could be mould, mildew or caused by water problems or even past drug operation.
- 6 **EXTERIOR CRACKING** – any unsealed opening on the exterior can allow water entry.
- 7 **DRAINAGE SLOPE TOWARDS THE HOUSE** – the yard should move water away from and not towards the house.
- 8 **ATTACHED HOMES WITHOUT CONDO FEES** – if something happens to the roof or other shared items, who is responsible for the cost?

Does your neighbor even have the money for half the expense? Can they paint their half pink?

- 9 **HOT WATER TANK DAMAGE** – any sign of wear and tear on a hot water tank should be addressed very quickly.
- 10 **DIRTY FURNACE FILTER** – the furnace is likely working overtime, and what else haven't they fixed or maintained.
- 11 **COLD SPOTS** – this can be poor insulation or improper construction.
- 12 **SWELLINGS AROUND WINDOWS AND WALL SEAMS** – possible water entry.
- 13 **WATER STAINING** – duhhhh – probably water.
- 14 **RESTRICTIVE COVENANTS ON TITLE** – this could restrict the ways in which you can use the property or what you can build on it in the future.
- 15 **NO REAL PROPERTY REPORT** – a current property report complete with compliance stamps is mandatory and it details precisely the land boundaries and the location of all structures located on the property.
- 16 **NEWLY BUILT DECK OR FENCE** – is it in a legal position and does it have a permit.
- 17 **SOFT SHOWER WALLS** – could be rotten from long term water leaks.
- 18 **HOUSE FEELS SMALL** – the square footage listed may not be accurate.

Ask lots of questions and make note of the answers – if in doubt use qualified, trusted professionals to ensure clarity.