

How to Recognize Potential in Residential Real Estate

Home Improvement episode judge Ruth Ann Fay, A top broker associate with fourteen years experience in listing and selling properties from Manhattan to Montauk Point, shares tips for sizing up that new home.

There are five basic fundamentals for recognizing potential in any residential property.

1. Location

The old saying still holds true:” Location, location, location.” Where the property is situated is always the first priority. Be sure to find out what its proximity is to industry, highways, shopping, and schools .If it’s good, you on the right track.

2. Foundation

Any structure is built on the foundation; if this is determined to be sound, everything else can usually be fixed. So make sure your foundation is a sturdy one.

3. Condition

When you walk into a property for the first time, the condition is usually deter minded the right away. If you can see that it’s a mess, then it is. Ask yourself “Is this original condition?” ”Originals” usually pertains to the age of the property. If you are in a home that is forty years old does the kitchen, for instance, looks the same?

Start calculating immediately. Do your homework on the cost of materials.

4. Size

The amount of space you have to work with is always a factor. Square footages, the number of bedrooms and bathrooms – these can greatly determine a high or low value in any home.

5. Resale

Ask yourself, “Who would this property appeal to if I were to sel it?” This is a very important step in recognizing potential. It is always valuable to know in advance who your buyers might be, such as singles coming out of a rental or perhaps a couple with one or two children. Start to think this way and spotting potential will be easy as 1, 2, 3.

How to make the most of a \$20,000 Renovation Budget

Ruth Ann Fay reveals how to make every dollar count.

- **The Renovation Determination**

The first thing to do is assess the condition of the entire property. Look specifically at kitchens and bathrooms. These are two of the biggest sources of value in a home. If they need to be renovated, do it.

- **The Kitchen**

After the location factor, the kitchen is one of the strongest selling points in any home. A new kitchen is a focal point, a conversation area, and often the most used room in the house. I would allot \$10,000 of my budget and start there.

- **The Bathrooms**

Depending on how many baths your home has, you can usually get away with putting in a new bath for approximately \$5,000.

- **Cosmetic Cleanup**

Plantings a shrubbery outside a home can create great curb appeal. This can be done at minimal cost and usually looks high-quality. Sometimes a simple coat of paint or a good cleanup in a home can go a long way. You would be surprised just how far.