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Buying a Fixer-Upper: What You Need to Know

If you're considering buying a home that needs some work before living in it or selling it, you're onto something. Purchasing a fixer-upper property can be an [excellent move](#) in numerous circumstances. On the surface, the concept of buying a fixer-upper for cheap and selling it for a high price seems like a no-brainer. Still, it's imperative to move carefully and understand what this implies before proceeding with the purchase. Interior design expert [Ashleigh Richards](#) shares the following insights to help you weigh your decision.

Find the Ideal Fixer-Upper

The ideal fixer-upper is the place that everybody will want in the future but nobody wants *now*. Most of the imperfections that make them ignore the house — such as peeling paint, dated fixtures, or worn carpets — are easy to correct. Flaws are challenging to see past, and those properties usually stay on the market for prolonged periods since most first-time homebuyers prefer a move-in ready home. A vital point to remember is that not all fixer-uppers have potential. Whether or not a particular fright house can turn into a belle of the ball depends on a [few factors](#).

A thoughtful way to find a fixer-upper that's worth the work is to collaborate with a realtor who specializes in them or knows the area you're looking at well. You can also use online

tools to get a good idea of home prices in areas you're considering. Another option is to search for short sales and foreclosures in your area.

Consider the location when looking for a fixer-upper, and focus on the home's configuration and condition. Make sure you have enough cash or that your credit reports are in good shape so you'll be able to apply for a mortgage. Also, do a thorough inspection of the place before signing the contract. There are several rehab and mortgage loans [for first-time buyers](#) who want to purchase a fixer-upper, including Fannie Mae's HomeStyle Loan, Freddie Mac's CHOICERenovation Mortgage, FHA 203(k) loans, and the VA renovation loan, which is mainly [aimed at veterans](#) and military families.

Make a Detailed Renovation Plan

When buying a fixer-upper home for the first time, you need to [come up](#) with a plan. Every buyer is different: You could have experience in renovations or you could have never worked with a drill. Whatever your situation, you need to decide what you want and what you are willing to do to get it. That way, when you assess each potential property, you can consider what it will take to complete the renovation project and weigh that against your desires, expectations, and game plan. By knowing as much as possible about the property, you can accurately estimate the cost of renovation and the risks involved.

Unless you have experience in renovating a home, work with professionals. [Ashleigh Richards](#) can take you through the design process from start to finish so you create a space that you can be proud of and will love. If this is not your first project of this kind, there are, of course, repairs and remodeling tasks you can do yourself.

Either way, start by taking a look at the big picture and having a plan for the property in general. Choose the rooms you'll use more, such as the bathroom, kitchen, and bedroom. Take each room apart and start with flooring; remove, add, or color windows; and paint the walls. You can even transform and paint existing furniture, change bathroom tiles, or assemble doors.

Unless you're looking to flip the house, it's safe to assume that you plan to live in it. Things may change down the road, but if you plan on selling it after completing the renovations, again, make sure you research home prices in the area and calculate [how much profit](#) you can make after reducing the costs of the purchase and renovation project.

Alternatively, if you plan to rent out the property, this can be a great way to quickly pay off the mortgage if you're eager to flip again. Understand that as a landlord, you'll need to register as a business with the state. Given the circumstances, the ideal business structure is an LLC, which helps protect your assets in the event of a dispute. A formation service can make an [Arizona](#) registration super easy to set up in just six steps.

The Bottom Line

Buying a fixer-upper for the first time can be a challenge. Still, if you do your research before purchasing and have a renovation plan in place, it could be an excellent and affordable way to become a homeowner or a great way to start your house flipping journey. It also helps to have a professional like [Ashleigh Richards](#) on your side. Hiring a professional designer like Ashleigh can remove the headaches of making decisions without compromising on personal and custom designs. Call 434-258-2602 for more information.