

THE PROS AND ~~CONS~~ OF INVESTING IN A

FIXER-UPPER



Whether to live in or flip, investing in a fixer-upper is an appealing option for those looking to enter the real estate market at a more affordable price. A fixer-upper is so named because it's a property that requires a significant amount of TLC and maintenance. While this prospect can be exciting for buyers, it can also be daunting, so here's a look at the pros and cons.

PROS

* Lower purchase price

Fixer-uppers tend to be priced well below market value, due to poor condition. Moreover, there's usually less competition for fixer-uppers, making bidding wars far less likely than with move-in-ready homes.

* Easy to make your own

Investing in a fixer-upper entails doing significant renovations and alterations to the property, which means you can fully customise it. Whether you choose to upgrade the home to align with your tastes or property trends, you'll be able to put your own stamp on the property.

* Simple to add value

Increasing a property's value comes with the territory when buying a fixer-upper. You also have complete control of where and how value is added, as well as what materials and finishes are used.

* Access to better locations

Fixer-uppers give buyers the opportunity to purchase in a neighbourhood that they might not have been able to afford if purchasing a move-in-ready property.

CONS

* Budget constraints

It's easy to go over budget on renovation projects, and fixer-uppers are no different. Unforeseen costs, such as plumbing and electrical issues can eat away at your budget, so it's imperative to have a contingency fund in place.

* Long-term scope

Fixer-uppers are projects that can take months and even years to complete. This substantial investment of time means it can take a while to see a return on profit.

* Emotionally taxing

The long-term nature and unpredictability of fixer-uppers can mean that they're extremely stressful and take an emotional toll.

* Limited finance options

Securing a bond for a fixer-upper can prove to be more difficult than a move-in-ready home. Some lenders even have specific criteria and restrictions on what type of alterations can be done.



Investing in a fixer-upper is no small undertaking, but with the right strategy and support it can be an exciting and rewarding venture. For expert advice and guidance, contact a dedicated Chas Everitt [property practitioner](#).