



RED FLAGS TO WATCH FOR WHEN BUYING A HOME

If every home purchase were straightforward, we wouldn't need lawyers, home inspectors, REALTORS®, and other professionals to guide and protect us throughout the process. The reality? Not every home is as "perfect" as it seems. There are countless potential issues—some minor, some major—that could affect your investment. Below are key red flags that should prompt further investigation before you commit to a purchase.

💡 NOTE: These aren't automatic deal-breakers, but they do warrant a closer look to ensure you're making a sound investment.

⚠️ Mortgage & Ownership Concerns

- Current Owner Assumed Their Mortgage – Some buyers assume mortgages as a way to bypass traditional financing. Make sure the mortgage terms are clear and legitimate.
- Low Down Payment Assumable Mortgage – If the seller is offering an assumable mortgage with little money down, be cautious. It may indicate unfavorable loan terms or an overpriced home.

⚠️ Structural & Water Damage Warnings

- Water Stains in the Basement – Any discoloration on floors, walls, or stored items could indicate past or ongoing water issues.
- Newly Finished Basement – A fresh renovation is great—unless it was done to cover up past water damage or other defects.
- Odd Smell – Musty or mildew-like odors could signal mold, water damage, or even a past drug operation.
- Exterior Cracks – Any unsealed cracks in the foundation, siding, or stucco can allow water intrusion and structural weakening.
- Yard Sloping Toward the House – Proper grading directs water away from the home. If it slopes toward the foundation, you could be in for water pooling and basement leaks.
- Swelling Around Windows & Walls – This often indicates moisture damage, which can lead to mold and expensive repairs.
- Soft Shower Walls – If the walls flex when you press on them, hidden water damage and mold growth could be present.

⚠️ Maintenance & System Issues

- Hot Water Tank Wear & Tear – Signs of rust, leaks, or age can mean costly repairs or replacement in the near future.
- Dirty Furnace Filter – If the furnace filter is neglected, what else in the home hasn't been properly maintained?
- Cold Spots in the Home – This could indicate poor insulation, drafty windows, or faulty heating.

⚠️ Legal & Ownership Red Flags

- Attached Homes with No Condo Fees – If a duplex or townhome has no shared maintenance agreement, who pays for roof repairs, siding damage, or shared fences? Can your neighbor legally paint their side neon pink?
- Restrictive Covenants on Title – These can limit how you use the property, from renovations to home-based businesses. Always review the title carefully.
- No Real Property Report (RPR) or Survey – Without an RPR, you have no way of confirming the home was built in the correct location on the lot or if structures like fences and garages encroach on city property.
- Newly Built Deck or Fence – Great curb appeal! But does it have the proper permits, or will you be on the hook for compliance issues later?
- Square Footage Feels Off – If the home feels smaller than advertised, the listed square footage may not be accurate. Always verify measurements.

⚠️ Conflict of Interest in Representation

- One Agent Representing Both Buyer & Seller – A single agent cannot simultaneously negotiate the highest price for the seller and the lowest price for the buyer. This is a conflict of interest (also known as Transaction Brokerage).