



Things That Make You Go Hmmm !

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In my latest deal that closed on Friday, there were many things that happened from the inspection that most of the people doing rehabs might have overlooked. Part of my teaching style in my systems and live events are to teach you things that you would not have realized on your own.

Sometimes you must look very hard a property to find the little things that will add up, and cost you thousands of dollars that you had not intended to spend. I teach how to do property inspections...one of the most important tasks that will save you big bucks, if you know what to look for. See, the buyer will hire a property inspector to list the defects of your property as a tool for getting a discount on the deal, or get you the seller, to pay for these repairs. Here's what we had to recognize on my last deal.

First, the gutters did not have a nice line to them. They had sagging areas that made the property look as if it would be best to replace the gutters. This would have cost around \$800.00 to do. But for under \$20.00, I got some gutter brackets that attached with a screw gun, and had a helper use a 2 x 4 stud to push up on the gutters to get them back in line as I screwed the brackets tightly into the fascia board. This made the appearance 100% better and saved about \$780.00.

Next problem was something that most would have missed seeing, unless you have a trained eye. There had been some siding replaced due to moisture rot on the bottom of the house around the entire exterior. (Probably from the gutter situation). An inspector would have picked up on this and made a big deal out of it. You see, siding must not touch the ground around the house. This makes for easy insect infestation such as termites, and also stops some loan institutions from financing a deal with this situation. Commonly, siding must be about 6 inches from the ground to be considered correct. To save money, we did not tear out the siding and start over. We got on both ends of the side portions of the house and measured up six inches from the ground, and then snapped a chalk line that marked the siding all the way across each side of the house. Then we adjusted the blade on our skill saw to 1/2 inch and used it to trim the bottom six inches off the house. This now was acceptable when an inspection would be done.

The toilets in the house seemed as if they could be kept if they were given new working parts on the inside. I put newspaper around the bottoms and flushed a few times, then left the newspaper overnight. When we returned the next day, we found that the paper had absorbed some water. This indicated that the wax ring in both toilets had been seeping a little. So by the time you have added up the moving parts Or guts to be replaced, then the wax rings and then the plumbers labor cost per hour it was actually cheaper to just buy new toilets. The new ones came complete with all new parts, most installed already. Therefore, it takes the plumber less time at his hourly rate to install new toilets rather than rebuild the old ones. It also looks good to the buyer to see brand new fixtures.

The cabinets were stained dark brown and had a thin layer of poly on them. They really needed a fresh look to avoid replacing them. I have written techniques on how to prep and paint stained cabinets to a nice white look but here; this is a great way to restore a brand new look for under \$5.00. There is a product in most any store that sell cleaning supplies called “Old English Scratch Remover”. You pour this dark oil onto a white terry cloth rag and rub over the entire cabinet area. This will not only blend in any light and dark areas, but also give the appearance of freshly stained and varnished cabinets. Saving easily about \$1000.00 this one tip is one you will use over and over in your investing career.

Last, was the big killer. If overlooked this could easily cost you several thousand dollars and in many cases is a deal breaker if you do not replace it. It is also something you should use as a discount when buying the house as an investor. Either way, somebody is likely to have to pay for this replacement. I am talking about polybutylene water piping. Usually identified by being blue in color, this pipe has a reputation of breaking and leaking causing thousands in water damage. Though many houses may have it, nobody wants it. Not only is it unpopular, it's expensive to replace. But using the techniques I teach in Rehab 101 we got our estimate to replace the entire pipe in the house and the underground service from the street down from \$7995.00 to about half the cost at \$4200.00. That's a great savings on just that item alone. So be careful not to overlook a houses “fine print” when you do your initial walk around. See beyond what you think you see, and learn to look for the less obvious repairs that could make or break a good deal. These and other great money saving techniques are on my site www.peteyoungs.com