

15 Best Questions To Ask When Buying A House

by Sarah Li Cain

Before making an offer on a house, you want to be absolutely sure that it's "the one." But with so many options out there, how do you find your perfect match? Finding the right home involves research, so you'll need to ask the right questions. That way you know you're making a competitive offer on a home that you can afford - and meets your long-term needs.

To weed out the duds from the diamonds, here are 15 questions to ask when buying a house.

1. What's my total budget?

It could be a waste of time to start looking at houses without understanding how much house you can afford. There are additional costs to consider other than the sales price, such as property taxes, homeowners insurance, homeowners association dues, ongoing home maintenance and any renovations you want to do. "With all the other added expense that comes with homeownership like repairs and homeowner's association fees, you may not see the financial benefits for several years," says Wendy Mays, a Realtor with Berkshire Hathaway HomeServices California Properties in Chula Vista, California. Showing the seller you have the financial means to buy their house is important if you want your offer to be accepted. This means getting preapproved for a mortgage. "Not only does it give the buyer an idea of what they can afford but it gives the Realtor assurance that they're showing a qualified buyer a home," says Joey Sampaga, a Realtor with Keller Williams Legacy One in Phoenix. "It shows you're not wasting the seller's time."

2. Is the home in a flood zone or prone to other natural disasters?

A property that's in a flood zone or other natural disaster area may require additional insurance coverage. For example, homes that are located in a federally-designated, high-risk flood zone require flood insurance. (Find out whether a property is in a high-risk flood zone using FEMA's Flood Map Service.) Likewise, if you're buying a home in California where earthquakes are common, you may need to get earthquake insurance. Another tip: Make sure you purchase enough homeowners insurance to cover the cost of completely rebuilding your home if it's destroyed. If you're underinsured, you could be left footing a massive bill to repair or rebuild your home if a major disaster hits.

3. Why is the seller leaving?

Understanding why the seller is moving - whether it's due to downsizing, a job relocation or as a result of a major life event - might help you figure out how motivated they are when negotiating. A good buyer's agent will try to find out this information for you and gauge how flexible (or not) the seller might be during negotiations. A motivated seller who needs to move quickly or whose home has been on the market a while is more likely to work with you than someone who isn't in a rush to move.

4. What's included in the sale?

Anything that's considered a fixture is typically included when purchasing a house - think cabinets, faucets and window blinds. However, there could be items that you think are included with the home but actually aren't. This depends on your state's laws. The listing description should spell out any exclusions that the seller is not including, but that's not always the case. Make sure to ask in your offer what is (and isn't) included with the home. Do you really want the washer and dryer, or that stainless-steel refrigerator? Ask if the seller will throw these items into the deal.

5. Were there any additions or major renovations?

In some cases, property records and listing descriptions don't always match up. A home might be advertised as having four bedrooms, but one of those rooms may be a non-conforming addition that doesn't follow local building codes.

Find out what major repairs or renovations the seller has done since owning the home and request the original manufacturer warranties on any appliances or systems if those have been replaced. Knowing a home's improvement history can help you better gauge its condition and understand the seller's asking price.

6. How old is the roof?

Let's face it: roofs are necessary and expensive. If a home's roof is at the end of its lifespan and you wind up having to replace it shortly after move-in, you'll be shelling out thousands of dollars. Ouch. If the roof has existing damage, your lender may require that it be repaired in order to approve your loan. In other words, if the listing description doesn't list the roof's age, make sure to find out ASAP to avoid a costly headache later.

7. How old are the appliances and major systems?

Again, understanding the anticipated lifespan of essential systems and appliances, such as the air conditioner, furnace, water heater, washer, dryer and stove, can help you anticipate major repair or replacement expenses. If these items are already at the end of their lifespan or near it, ask the seller to purchase a home warranty, which can help cover the replacement costs in certain instances.

8. How long has the house been on the market?

The longer a house has been on the market, the more motivated the seller will be to make a deal. This means you might find flexibility to negotiate the price, contingencies, terms and credits for replacing outdated carpet or other noticeable issues. Many times, a home will languish on the market if it was priced too high at the onset, resulting in the need for multiple price reductions. A listing that shows multiple price cuts and has been sitting on the market too long may give buyers the impression that something is wrong with it. And that gives you a prime opportunity to negotiate a deal.

9. How much have homes sold for in the neighborhood?

Understanding the current local market will help you determine if a seller's asking price is on target - or way too high. Your Realtor can pull the comparable listing data for similar homes that are currently on the market and have sold in the last six months or so as a basis for comparison. "If conditions support further negotiating, consider (making) a lower offer or even concessions like asking the seller to pay for some closing costs," Mays says.

10. Are there any health or safety hazards?

Items like lead paint, radon, mold or other major hazards can be costly to address and hold up your loan approval. Ask the seller to provide documentation if there have been past issues and find out exactly what was done to resolve those problems. If you suspect hazardous problems or a home inspector suggests additional testing, you might need to pay extra for those specialized services.

11. What's the history of past insurance claims?

Get a copy of a Comprehensive Loss Underwriting Exchange, or C.L.U.E., report from the seller to see if there have been any homeowners insurance claims filed in the last seven years. This report can give you an insight into what, if any, damage the home has sustained from a weather event or vandalism that a home inspection doesn't catch or a seller fails to mention.

12. What are the neighbors like?

Getting the true feel of a neighborhood can be difficult before moving in, but this aspect shouldn't be overlooked. Ask the seller what the neighbors are like. Noisy or quiet? Is it a pet-friendly place or are there few pets around? Are the existing neighbors friendly or more likely to keep to themselves? Don't rely solely on the seller to reveal these details because you might not get the full story. "Drive the neighborhood and stop and speak with neighbors," Mays suggests. "Neighbors are an excellent way to get information about the community that a seller might not want to share."

13. How is the neighborhood?

You can always change a house and fix things you don't like, but the neighborhood is there to stay. It's important that you like the environs you'll be living in for the next 10, 20 or 30 years. Your Realtor can help you find out key information, such as community amenities, crime statistics, school ratings and how busy traffic is where you'll be living. Thankfully, the internet is also a great resource where you can research schools, home owners association rules (if applicable), nearby parks and other amenities. And don't forget to time your commute to work - which might be a deal breaker.

14. Are there any problems with the house?

Sellers are required to provide a disclosure form listing any known defects, but what they don't disclose - and what you don't know - can lead to major issues later. That's why it's critical to get a home inspection done by a professional home inspector as soon as a purchase agreement is signed. The inspection report outlines the home's overall condition and can help you negotiate future concessions, such as repairs or seller-paid credits, before closing the deal. If a home has too many problems and you included a home inspection contingency, you'll be able to back out of the deal without penalty and (in most cases) get your earnest deposit returned.

15. How much will I pay in closing costs?

The down payment isn't the only cash you'll be forking over on closing day. You'll also be responsible for closing costs, which typically include loan origination fees and third-party fees for title research, processing of paperwork, an appraisal and other administrative tasks. Expect to pay around 2% to 5% of the home's purchase price in closing costs, but that can vary depending on your area. The closing disclosure, which a lender is required to provide you three business days before closing, will spell out all of your loan fees and how much cash you'll need to close. "Once the closing documents are signed by both parties and the escrow company sends it to the lender, the lender will fund the loan," Sampaga says. "Now you're a homeowner."