

As Is sales

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I. Information for sellers

II. Information for buyers

I. For sellers:

I typically don't recommend a seller listing their home as is unless 1 of the following is true:

1. You have a much higher preference for minimizing your hassle than getting the highest net profits, knowing that "as is" will likely cost you thousands or 10's of thousands in net losses.
2. You don't have the money to do any repairs whatsoever, don't have the credit to take a loan for repairs, don't have the equity to take a loan from my company to be paid back at the time of sale, and have exhausted other options such as those mentioned here:
<https://www.adambgarrett.com/repairs-renovations-paid-at-closing>
3. You're performing a short sale

Keep in mind that while you can reject any repairs requests, they can still come and can still mean the difference between the buyer closing and walking, especially if they are required repairs per the appraiser or termite/moisture inspector. Also keep in mind that if a buyer walks and provides you with the home inspection, some agents, including a current board member locally, believe that you should disclose the full home inspection report (& termite/moisture if applicable) to new prospective buyers legally. It would be best to consult an attorney if you didn't want to. Also keep in mind that with as-is sales, even if they don't request repairs, they can request a price reduction, which can also be a dealbreaker at times.

If a seller lists their home not as is, but receives an offer as is, that is excellent news.

Essentially, they want to be able to pull out of the contract if the home inspection goes much differently than expected, but are saying that they won't nickel and dime the sellers on a laundry list of repairs.

Sometimes when I represent a seller I see as is language and then the language that "no repairs to be requested", but I don't recommend that language for buyers or sellers. While as is sales certainly shouldn't be followed by a long list of repair requests (though I have seen it when representing a seller), there are a few problems with including the phrase "no repairs to be requested" in an as-is offer or with countering as a seller with that language:

1. What that literally means is that if the buyer's home insurance, appraiser, or termite/moisture inspector says that there is a problem that requires remediation to close, no matter how big or small, if the buyer's lender doesn't allow escrow holdbacks, or if the buyer doesn't have the \$ to afford the escrow holdback, or if an escrow holdback

otherwise isn't a viable option to remediate the situation, the only option for the buyer is to walk away from the transaction.

2. "No repairs to be requested" sometimes means that a price reduction or closing cost assistance are the only alternatives to the buyer walking, but there isn't always time within the scope of the home inspection contingency for the buyer to get estimates, and sometimes a buyer unfamiliar with the area won't be in as good of a position as the seller to secure those estimates, leaving the potential price tags of those issues big unknowns where the buyer may need to assume the worst when considering whether to move forward, walk, or request a price reduction or closing cost assistance in lieu of repairs.
3. Most lenders restrict closing cost assistance from the seller, depending on the loan type, so if no repairs are to be requested, and if the buyer is already maxing out their CCA threshold, the buyer's only options may be to walk or get a price reduction, and a buyer may not be able to afford the repairs from a price reduction if they don't have the capital for it.
4. Often a buyer would prefer to purchase an at least semi "move in ready" home, and the absence of the option for any repairs may eliminate that possibility.

II. For buyers:

With an "as is" sale, often the seller will be unwilling to do anything that the bank doesn't require, and in some cases nothing that the bank requires either, where you would need to come out of pocket through an [escrow holdback or use a renovation loan mortgage](#) to cover the repairs, keeping in mind that some lenders/banks don't do either. Often entire [PICRA's](#) (where you typically primarily request repairs) will be rejected. It's typically best to not request anything in an offer that would change the property if it's being sold as is (i.e. a repair). Your highest chances of items to be covered in a picra are items that would be flagged by an appraiser or termite & moisture inspector IF the seller is willing to do anything about them, and even then they may wait for the termite/moisture inspector or appraiser to flag them & refuse to deal with them without that.

Even if a **short sale** ([buyer info on short sales](#)) ([short sale rough notes for buyers and sellers](#)) doesn't state as is, it's typically being sold as is. **Fixer uppers** and **foreclosures** are often but not always being sold as is. In some cases homes are sold as is that are not a fixer upper, short sale, or foreclosure because of one of the reasons stated under the seller section above or because the seller isn't acting in an informed fashion (some sellers think "as is" will cost them less rather than more). The least informed sellers are typically FSBO's with no agent representation but even the best agents can't sometimes convince sellers to do anything but as is even when they have the power to do a non-as is sale and wouldn't fall under 1-3 in the seller section.

Most often as is homes have repairs needed with them that the seller is aware of, although that's not always the case.

As is sales (especially when the seller is requesting as is) are best for buyers who are handy, who have some time on their hands, who don't make too much money per hr for the time to be better spent working (or who can't exceed a certain number of hrs at work but still have extra time). For instance, if you make \$50/hr & can work more if desired in your main job, it's better to pay someone \$40/hr to do a job well (I've seen jobs botched pretty badly when someone too cheap is hired & in some cases with DIY where it can cost a lot more time & \$ to redo the job) on your house than for you to do it yourself. Even those that aren't handy at all may make an offer as-is to be more competitive, knowing that they can hire contractors to get work done gradually over time or immediately upon possession.

They are also good for those who can get great deals from those that are contractors (or very handy) including through personal connections or who otherwise would want to pay for repairs/renovations, whether at once or slowly over time. For instance, if you have a family of contractors who would give you a heavy discount to help you out, an as is sale can be good. If paying for contractors over time, keep in mind that some as-is sales will often have items that should be taken care of immediately due to being safety hazards or being items that will get worse over time if not taken care of immediately (i.e. a leaky roof producing mold).

Keep in mind that sometimes, even when a property isn't being sold as is (neither by request on the listing nor by the contract), the seller will refuse all repair requests, no matter how legitimate of a request(s) it is.

Examples:

a relatively blank repair addendum request where no repairs are requested

A property that was supposedly sold as is but accepted an unusually high number of primarily termite/moisture related repairs.