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Buying An "As Is" Home Is Sometimes Not Clear-Cut

By: Jill Urban



Buyers and sellers are sometimes not on the same page about what are the conditions of selling an "as is" property, and to take a phrasing from former President Bill Clinton, that depends on what the meaning of "as is" is. NY1's Real Estate reporter Jill Urban filed the following report.

Buyers who are looking at listings sometimes see a home listed as "as is." That term seems pretty obvious, but oftentimes buyers and sellers are not on the same page as to what "as is" means.

"Generally, 'as is' means you are purchasing that property in its present condition with conditions," says Phyllis J. Pezenik, the vice president and managing director of DJK Residential.

So buyers and sellers should come to an agreement on what to expect, according to Pezenik. First, both sides need to know what things are expected to be included, unless otherwise stated.

"Whatever is hard-wired is generally included. For instance, a flatscreen TV that is either on a bracket or hard-wired to the wall, sconces that are on the wall are hard-wired. Even a mirror, a decorative mirror, unless specifically excluded is considered included," says Pezenik.

Also, smoke and carbon monoxide detectors must be included. Anything not hard-wired or on a bracket is considered personal property and is not expected to be left behind.

Pezenik suggests all these inclusions and any exceptions be listed on the deal sheet, but not in the contract.

"That is because if the buyer is applying for a mortgage, then the bank would look at it in a different way, because all these included items, flatscreen TVs, etc., would increase the value and perhaps make it more difficult to obtain an mortgage," says Pezenik.

As for appliances, the seller is expected to turn them over in working order.

Buying "as is" is a "buyer beware" situation. Buyers need to go over every inch of a home to know what they are getting. They should take pictures, bring experts and do whatever they can to protect themselves.

Now once the contract is signed, even if the deal is done, sellers will still be responsible for any damage to the home that goes above normal wear and tear. They are also responsible for any concealed defects, like a hole in the wall that was hidden behind a picture. Other than that, any other issues would be the buyer's responsibility.

The bottom line is those who are buying or selling "as is" need to understand the condition of the home and the conditions of the agreement.