



Home Maintenance in Perspective

Pillar To Post® Presentation



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Course Goals

- This course will teach you
 - perspective in home repairs and maintenance.
 - about component life cycles.
 - how to estimate a rough cost to repair or replace using the Pillar to Post cost guides.



Course Outline

- Seeking perfection
- Seeking perspective
- How long does it last?
- How much does it cost?



Seeking Perfection



No Home is Perfect!

- Every home inspection uncovers something
- Example
 - The heating system requires replacement
 - If this is all that's wrong, that's a great house!
- Another house may have a great furnace but an old roof



Distressed Buyers

- Some buyers get distressed
 - They were seeking perfection!
- Worried about buying a “money pit”
- Ever had a buyer walk away because of a fairly insignificant issue?
- Buying a home is stressful
 - And worse if you don't know what to expect



Perspective

- It's all about perspective
- Realtor can prepare clients for the inspection
- Home inspector can provide perspective during the inspection



Things Wear Out

- Everything in and around the home has a life cycle
 - It eventually wears out
 - This is not a defect!
- Tires on a car wear out, not because they are defective
- A roof surface also wears out



Normal Maintenance Pattern

- Things wear out but not all at the same time
- After a period of time the house settles into a ***“normal maintenance pattern”***.
 - One year you replace the roof surface
 - Another year you do some painting
 - Another year you replace the hot water tank
 - Etc.



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Seeking Perspective



Helping Buyers with Perspective

- Some buyers need help with perspective
- What is normal for a house?
 - We already know that perfection is not an option.
- If a roof surface is worn out and the heating system is functional but at the end of its life cycle, is this normal or a “money pit”



1% per Year

- Normal maintenance - about 1% of the value of the house per year
- Imagine a \$250,000 home
 - Normal maintenance is about \$2,500 per year
- A more expensive house will have a higher yearly average
 - May have more expensive materials
 - Expensive neighborhood – higher labor costs



3% in First Year

- Some say that you should plan on 3% in the first year
- \$250,000 home
 - Need \$7,500 in the first year
 - Painting, drapes / blinds
 - Washer and dryer etc.
 - Maybe a new roof surface



Deferred Maintenance

- Deferred maintenance means **neglected** (sort of).
- If you don't spend 1% per year, you will eventually have to catch up
 - Many repairs in a short period of time
- If a buyer is buying at this point, the buyer will have to catch up



Deferred Maintenance Example

- Home needs new roof surface
- Furnace near end of life
- A/C near end of life
- Woodwork needs painting
- Deck is rotted
- This is obviously going to cost more than 1% per year to catch up.





Perspective

- Damage from gutter overflow
- The buyer fixated on this item
- The house was otherwise in excellent condition
- Need to coach the buyer through this

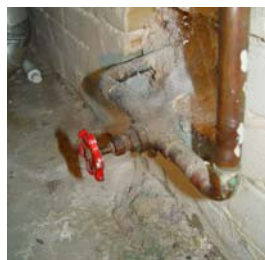


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How Long Does it Last?



Life Cycle

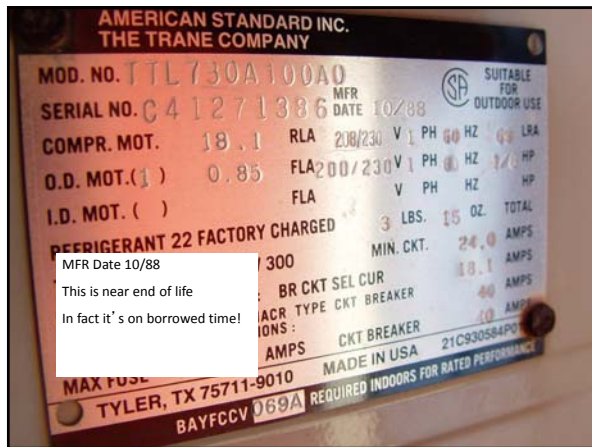
- What is life cycle?
 - Components of a home have a predictable life cycle
 - A high efficiency furnace may last 15 to 20 yrs
 - It's about probability
 - A 2 year old high efficiency furnace is not likely to fail in the next year
 - A 15 year old high efficiency furnace is much more likely to fail in the next year.
 - A 20 year old high efficiency furnace is very likely to fail soon but ... it might also last another few years!



Example – Air Conditioning

- Air conditioning system
- Working well
- Well maintained





Near End of Life

- What do we mean by this?
- But it's still working!
- Keep using it but be aware that the system will have to be repaired or replaced in the near future
- This is not a defect!



Forced Air Furnace

- Conventional efficiency
- Mid efficiency
- High efficiency



Conventional Furnace

- Life cycle about 25 years
- Conventional furnaces are not made any more
 - Still lots out there though
 - All will be near end of life



Mid Efficiency Furnace

- Life cycle about 20 years
 - Thinner heat exchanger
 - More heat extraction



Mid Efficiency

- The critical component is the heat exchanger
- When it fails, the furnace gets replaced








High Efficiency Furnace


- Life cycle about 15 years
 - Two heat exchangers
 - Corrosive condensate
 - More things to fail



Pillar to Post Home Inspectors

High Efficiency Furnace

- Critical component is the heat exchanger
 - Two heat exchangers
 - Primary - large tubes
 - Secondary - like a car radiator



Pillar to Post Home Inspectors

Making HEF Last Longer

- The secret to long life
 - The filter!
- Secondary heat exchanger – caked in dirt
 - Premature failure






Hydronic Heat (hot water heat)

- Hot water home heating
- Life cycle?
 - 15 years for copper heat exchanger
 - 30 years of cast iron heat exchanger





Hydronic – What Fails?

- Heat exchanger
- Water leaks out when the heat exchanger fails





Hydronic Heat

- This system is on borrowed time
- Huge savings in energy if you replace this right away
- Replace proactively rather than waiting for failure

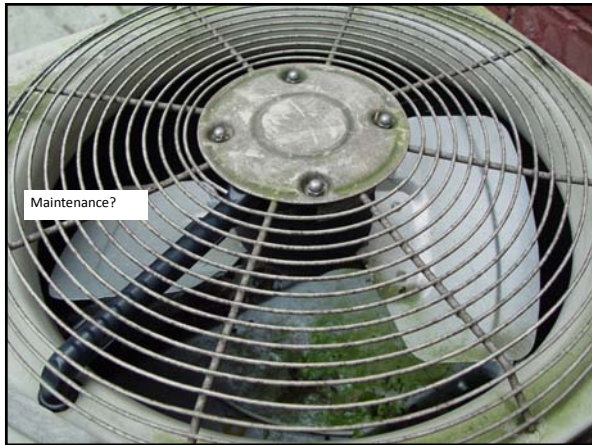


Air Conditioning

- Life cycle is about 14 to 15 years
 - Less in southern climates (maybe 10 to 12 years)
 - Less again in coastal climates (8 to 10 years)








Other Mechanical Equipment

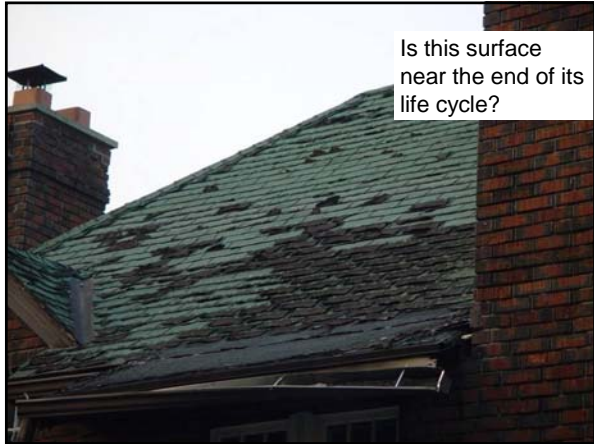
- Hot water heater • 12 years
- Sink garbage disposal • 10 years
- Well pump
- Garage door opener • 10 to 15 years
- 10 to 15 years



Roof Surfaces



- Many types of roof surfaces – life cycles vary
 - Asphalt shingles – 12 to 20 years
 - High end asphalt shingles – 20 to 30 years
 - Cedar – 20 to 35 years
 - Slate – 50 to 150 years
 - Modified bitumen (flat roof) – 20 to 25 years





Plumbing System

- Modern copper piping should last indefinitely
 - Localized failure only
 - Such as impact damage, galvanic corrosion
 - Hot water recirculation loops do wear out though





Galvanized steel pipe corrodes – 40 year life cycle



Woodwork – Paint

- Exterior woodwork needs to be maintained
 - Wood rot
- Every ten years?
 - Depends on weather and exposure and quality of paint job



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How Much Does it Cost?



Cost Estimates

- These costs are rough estimates
- Numbers are from the Pillar To Post cost guide
 - Check www.pillartopost.com for online version
 - Contact your local Pillar to Post office for hard copy



Cost Guide Web Site

- Go to the Pillar to Post web site
- Access the Real Estate Professionals area
- Here you can access the online cost guide




Example – Roof Surface

- Sloped roof surface
- Asphalt shingle
- 2000 square feet
- To strip and re-shingle – \$2.50 to \$3.50 per square foot
- Gives \$5,000 to \$7,000




Example - Furnace

- Replace conventional furnace with a high efficiency furnace
- \$3,000 to \$4,500



Summary

- Anything can be fixed
- No home is perfect
- Things wear out
- 1% per year is normal maintenance
- It's a matter of perspective



Thank You Andrew & Keith

