

BBB: Tip - Selling your home for quick cash? Not so fast!

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Milwaukee, Wis. – If you own a home, you may have received offers or seen advertisements promising to buy it quickly and for cash. Selling a home is a time-consuming process, and the promise of a quick close is tempting. However, it's important to understand the difference between selling your home to a traditional buyer and making a deal with a home investor, sometimes called an [opportunity investor](#). Professional home investors make offers to sellers who are willing to sacrifice profit in exchange for a faster and simpler sale process. In recent years, [iBuyers](#) have emerged too – internet companies who use algorithms and proprietary valuation data to make no-obligation, all-cash offers to sellers.

BBB recommends the following tips to help you find the right kind of buyer for your home and avoid getting scammed.

What to Consider Before Selling Your Home to a Home Investor

- **Think about your time constraints.** With traditional home sales, buyers can require a 45-day escrow period to allow time for appraisals, mortgage approval contingencies, inspections, and the like, which means completing a sale could take several weeks. On the other hand, home investors can usually close in a month or less and [iBuyers can give homeowners a tentative offer within 24 to 48 hours](#) and close in as little as a week. If time is of the essence, it may be worthwhile to consider one of the faster options, although you'll likely sacrifice profit for speed.
- **Determine how much profit you need to make.** The biggest con of working with a home investor or iBuyer is that you will almost always get a lower offer than you would from a traditional buyer. Traditional buyers may be willing to pay even more than market value for a home they've fallen in love with, while home investors are buying your home solely as an investment. That

lack of emotional connection can cost you profit you may be counting on. Determining how much profit you need to make on the sale of your home ahead of time can help you make a sound decision when you receive an offer from any kind of buyer.

- **Factor in prep work.** When marketing your home to traditional buyers, you'll need to do a fair amount of prep work. Cleaning, decluttering, painting, staging, landscaping, photographing, and listing your home are all vital tasks when getting your home ready to sell. When you sell to an investor, you won't need to invest time and money into this kind of prep-work. [Forbes](#) adds, "Typically, investors offer to purchase a property "as is," many times sight unseen. As a seller, that allows you to avoid any costly repairs that would normally be considered your financial responsibility."
- **Research investing companies before you do business with them.** Always look up businesses on [BBB.org](#) before you share personal information or agree to services with them. Make sure the company has an official name, phone number, and physical address. Read customer reviews as well, keeping a close eye on any complaints or reports of dishonest dealings.
- **Don't fall victim to a home investor scam.** Scammers prey on a seller's desire to make a quick sale by offering deals that seem too good to be true. They also take advantage of the fact that [home investors don't need any credentials](#) to buy property. When considering an offer, ask plenty of questions and don't settle for vague answers. Never give money to an investor before the closing date. Complete all transactions through a closing or escrow agent and don't let anyone pressure you into making payments "off the books."
- **Consider your alternatives.** If you aren't pressed for time, consider working with a [full-service brokerage](#). You'll need to do some prep work and it will take more time, but you'll make a much larger profit on the sale of your home. You can also think about renting your home for an amount that covers your mortgage payments or setting up a lease-to-own agreement.