

# Inheriting A Home

*The Ultimate Guide*



# Contents

What To Expect When You Inherit A Home	3
The First Steps	4
Liquidating Personal Property	6
Handling The House Itself	8
Terms You'll Need To Know	10
Simplifying The Process	12
Final Advice	14
How True Legacy Homes Can Help You	15
Additional Resources	16



# What To Expect When You Inherit A Home

An inherited home is a gift—and a challenge.

Faced with the burden of dealing with a home and all its treasured belongings, an inheritor can easily become overwhelmed. Handling the complex feelings that come after a friend or loved one's passing, or even a life-changing move to another residence, can be confusing and stressful.

This process of inheriting a home can negatively impact your finances while adding new expenses that could include home repair costs, house-related bills and utilities, legal fees, and real estate commissions, just to name a few.

This might be the first time you have had to deal with this type of sensitive situation, and you may be afraid to make the wrong decision with your friend or family member's precious possessions.



The sheer amount of work ahead of you can lead to analysis paralysis and, in some cases, you might be tempted to ignore addressing the issues of your inheritance head on. Unfortunately, delays can lead to additional financial strain and even more emotional hardship.

Inheriting a home and the tasks that come with it can be difficult to even think about. However, if you have a full understanding of the challenges to come and how to deal with them, you'll be able to overcome this trying time, skillfully managing both the home and personal property while paying all due respects to the person who passed it on.

This is exactly why we wrote this guide—so you can go in knowing what to expect, which pitfalls you'll need to avoid, and how to make this as seamless of a transition as possible.

# The First Steps

With so many huge tasks in front of you, the process of dealing with an inherited home can seem too difficult to tackle. But with careful, one-thing-at-a-time planning, you'll be able to handle this life-changing undertaking.

1

## Consider last wishes.

Once your friend or family member is at rest, it's time to consider how they wanted their property and possessions handled. Before you bring in the professionals for a closer look, review the will and other documents to get a general idea of their contents.

Check out our list of terms to help you read the will for the first time.

Regardless of the value of the home and belongings, you'll want to hire a lawyer experienced in estates and inheritances to help you comb through the legal details.

2

## Bring in the professionals.

The person you inherited the home from might have already hired an accountant or estate lawyer to help with this transition. If not, ask around for local recommendations or use Avvo.com (it's like Yelp for lawyers).

An "estate" can be anything from a one-bedroom apartment to a three-bedroom bungalow.

If you're in charge of settling the estate, you'll need to file taxes for the estate, and that will require both professionals' help. They'll tell you which items you need to keep inventory of, especially if you think the will might be contested. Other issues they may need to look into for you are:

- Paying tax on the inherited property
- Mortgages on the property, including reverse mortgages
- If there are multiple stakeholders of the inherited property, in which case the situation can become more complex and involve a buyout, splitting profits, or lawsuits for partition

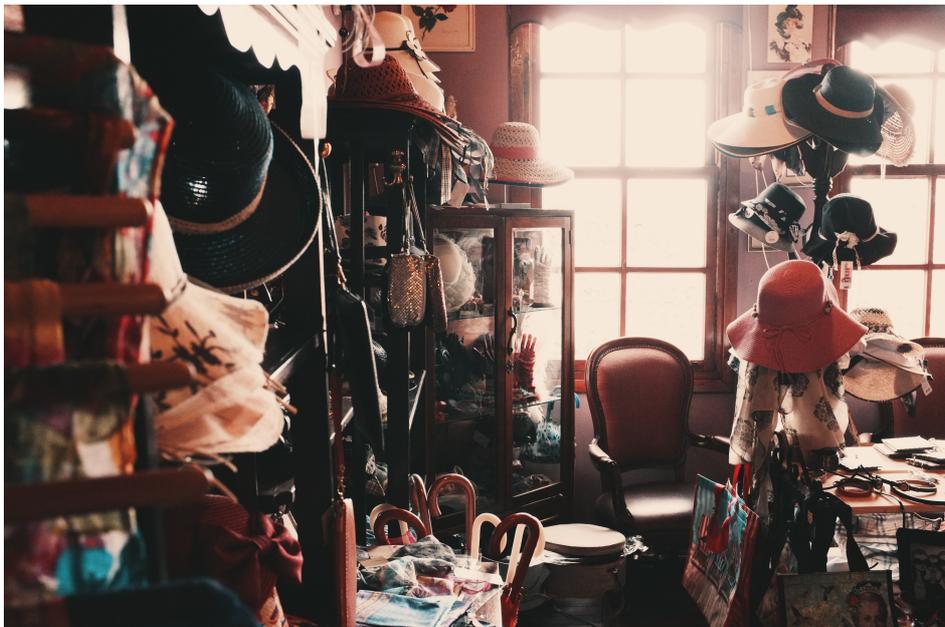
### 3

## Create a realistic timeline.

Set a practical timeline for when you'd like to complete all the steps ahead of you. Keep in mind: this process will likely take longer than you think it will, especially if you decide to either take on all the small tasks yourself or even hire subcontractors. Just cleaning out a 3,000 square foot home can take upwards of 200 man-hours. Make sure you include these highly important tasks as you plan:

- Organize the personal belongings
- Sell the personal belongings
- Prepare the home for a valuation with interior and exterior clean ups
- Sell, rent, or move into the home

Once you've made your timeline, it's time to start sifting through the many possessions that will be in the home.



# Liquidating Personal Property

## Organizing Personal Property

You may want to ask for help with this step, which many consider the most burdensome and time-consuming of the entire process. Even with the help of friends and family, it can take months to go through all the items that are in the home, considering there are likely decades of belongings, collectibles, and knick-knacks throughout.

*Tip #1: Go room by room.* Tackle the messiest room first. Your energy levels will decrease as you continue to work through the home, so start with the biggest challenge. Then work through the next most difficult room, then the next, etc.

*Tip #2: Set aside important-looking papers and objects you want to keep or review.* If you see any kind of contracts or important paperwork, set those aside to go through later. Create another special pile for sentimental or valuable items that you want yourself—but keep the will in mind, if one exists. A special object may already be designated for someone else.

*Tip #3: Create piles for items you don't want to keep.* In addition to the pile of important papers and items you'll keep for yourself, create three more piles: one for items of value that will almost certainly sell, one for items that might sell, and items that can go into the trash. To keep the house orderly, throw out your trash pile at the end of each day.

*Tip #4: Clean or fix the items you plan on selling.* Don't spend too much time on this process. The longer it takes you to sell these items, the longer it takes to sell the house, and the longer you'll have house-related bills on your hands.

Once you've organized those personal items into their respective piles, it's time to start selling.

# Liquidating Personal Property

You'll have three main options for liquidating personal property:

	A Garage Sale	An Estate Sale	A Donation Center
	a casual sale of household goods, often held in a garage or front yard of a home	the selling, en masse, of most of someone's possessions; usually held inside a home	a charitable organization such as Goodwill; can sometimes come and haul items away
	<ul style="list-style-type: none"> <li>· Easy to set up</li> <li>· Not many security risks</li> <li>· No need for extensive advertising</li> </ul>	<ul style="list-style-type: none"> <li>· Likely to attract people looking to buy expensive or bulk items</li> <li>· Can get rid of a lot of items quickly</li> </ul>	<ul style="list-style-type: none"> <li>· Quick way to get rid of everything</li> <li>· Donating to a good cause helps support the community</li> </ul>
	<ul style="list-style-type: none"> <li>· Won't always attract customers eager to buy top-quality or expensive items</li> </ul>	<ul style="list-style-type: none"> <li>· Takes time to set up</li> <li>· Requires more advertising</li> <li>· Security help needed due to strangers' presence in house</li> </ul>	<ul style="list-style-type: none"> <li>· A donation center will only take what they can resell</li> <li>· You'll still have to sell or throw away remaining items</li> </ul>
	<p><i>Pro tip: Brand your sale so your flyers will stand apart from other garage sales. Title it according to the items; for example, if your friend or loved one's items are mostly small, eccentric, and fun, make the headline of your flier read "Trinket Sale"</i></p>	<p><i>Pro tip: You'll need to advertise to get people to come to your home. Pick a date and begin weeks in advance. Place online ads on Craigslist and Facebook Marketplace. Paste flyers around town and provide clear photos of your best items.</i></p>	<p><i>Pro tip: Start calling potential donation centers far ahead of when you want the items gone—depending on how many donations they receive regularly, they may not have room for your items. If you have no luck with big charities like Goodwill, call local Boys and Girls clubs and schools.</i></p>

Many inheritors underestimate the amount of work involved in clearing out and cleaning a home, and running an estate or garage sale. Dedicate yourself to one path and do everything possible to liquidate the household items as quickly as you can.

# Handling The House Itself

Once you've liquidated most, if not all, of the personal belongings inside the home, the house itself is your next challenge. Since you've already cleared away any clutter, you'll have a clean slate to work with.

## House Inspections

Whether you've decided to move into the house, rent it out, or sell it, the initial steps are the same. First, you'll want someone to inspect the property and find out whether it needs any major repairs such as a foundation crack repair or roofing replacement, or if it has any problems like pest infestations.

If you want to sell or rent the home for the best price possible, you'll want repairs made immediately. With some real estate agencies, you'll have the option to sell as-is, but often, that kind of agreement leads to selling at a substantially lower price.

## Interior and Exterior Clean Up

Next, you'll want to thoroughly clean the inside and outside of the home.

Again, the level of cleanliness depends on what you want to do with the home. If you plan on selling or renting it, consider professional cleaners who will thoroughly deep clean your home and leave it in flawless condition. For an as-is sale, a lighter clean will work.

Freshen the home with a coat of paint or new carpet for renters; they're looking for a pretty home that will look good while they stay. These additions may also be a good idea if you're trying to sell your home; a small house face-lift might make the sale.

Ensure you are keeping up with maintenance—not just electricity bills or water bills, but things like taking the trash out and sweeping the floors. Don't forget the outside, too; potential homeowners or renters will be looking for fresh-cut grass and tidy landscaping outside.

## Valuations

Once you've got your home up to a good standard, it's time to have it valued. Even if you plan on moving in, it is a good idea to know how much your new home is worth.

Hire a professional certified appraiser to give the property a once-over. This appraiser will tell you the fair market value of the home. Typically, they charge between \$300 and \$400 and require two hours of inspection time.

If you plan on keeping the house and are merely interested in its worth, you can also view comparable homes nearby to get an idea of how much yours would sell for. Websites like Trulia or Zillow make it easy to find nearby comparable homes for sale and their estimated value.

Make sure you only look at homes that have sold in the past six months and find their actual selling price. Zestimates or listing prices are not an accurate way to gauge a home's value.

## Real Estate Agents

If you plan on selling the home, you'll enlist the assistance of a real estate agent for the sale itself. The agent will help with final home preparations, pricing, listing, negotiating, and paperwork.

If you prefer to rent out the home, real estate agents can also help you find renters and a property manager can assist with the everyday running of your rental.



# Terms You'll Need To Know

When you inherit a home, you'll start to see many complex legal terms. We've collected some of the most common to help you as you work through any will-related or inheritance-related documents you may encounter.

<b>Assets</b>	property owned by a person, regarded as having value and available to meet debts, commitments, or legacies
<b>Beneficiary</b>	a person who will receive money or other benefits from a will or life insurance policy
<b>Capital Gains Tax</b>	a tax levied on profit from the sale of property or of an investment
<b>Capital Loss</b>	the loss incurred when a capital asset, such as an inherited home, decreases in value; the loss is not realized until the asset is sold for a price lower than the original purchase price
<b>Contest</b>	to challenge a position asserted in a judicial proceeding, like to contest the probate of a will
<b>Decedent</b>	a deceased person
<b>Estate</b>	all the money and property owned by a particular person, especially at death
<b>Estate taxes</b>	a tax levied on the total value of a deceased person's money and property, and paid out of the decedent's assets before any distribution to beneficiaries

<b>Fiduciary</b>	a person with the power and obligation to act for another under circumstances which require total trust, good faith, and honesty
<b>Fiduciary Income Tax Return</b>	the income tax return the government requires fiduciaries to fill out and return
<b>Heir</b>	the persons who would inherit the decedent's estate if the decedent died intestate (without a will)
<b>Inheritance</b>	anything a person receives from the estate of a decedent, whether by the laws of descent or as a beneficiary of a will or trust
<b>Intestate</b>	a person who has died and not left a will
<b>Non-probate Property</b>	property that passes automatically at death without going through the probate process
<b>Personal Representative/ Executor</b>	a person or institution appointed by a testator to carry out the terms of their will
<b>Probate</b>	the official process of proving of a will
<b>Probate Property</b>	assets owned at death that require legal proceedings before the title may be transferred to the proper heirs
<b>Probate Taxes</b>	taxes levied at the beginning of the probate process
<b>Resident Agent</b>	an individual designated to receive paperwork when the personal representative is out of town or state
<b>Testate</b>	a person who has died and left a will

# Simplifying The Process

There are a lot of tasks to take care of when you inherit a home—and often, there are simply too many to take care of on your own. But there are ways you can ease the burden.

Along each step of the process, you can hire various professionals to help. With assistance from accountants, lawyers, cleaners, organizers, laborers, inspectors, haulers, valuers, and real estate agents, dealing with an inherited home can be much easier.

However, even with all that help, you may discover that finding, hiring, and managing all those extra hands is a strain on your finances, time, and well-being. Being a project manager is no easy job.



Some companies handle the entire process of liquidating an inherited home and all its belongings from start to finish, helping you from estate sale to home sale, dealing with the details that may simply be too much to handle.

These services include:

- Managing personal property liquidation
- Making necessary repairs and updates
- Listing, selling, or purchasing the home

The best companies will be able to clear and clean the home in about two weeks, then make the necessary repairs and get it in show-condition within a few weeks after the estate sale.



But most importantly, the right company will ensure your friend's or loved one's personal property will be taken care of with the utmost respect and care.

# Final Advice

When you inherit a house, there's no question that you have a lot of work ahead of you. This prospect can seem intimidating, leading to more worry and angst in a time when you should be reflecting on positive memories.

Besides following the steps we have suggested, there are a few other things you can do to streamline this process and prevent mistakes.

1

## **Avoid making emotional decisions.**

Making decisions based on logic alone will be hard since you are going through a time of change. It is only natural to become emotional as you work on organizing possessions and selling the home. Try to be aware of these emotions, putting them aside as you listen carefully to professional advice and rely on things like guides and pro and con lists before you commit to anything.

2

## **Work through each step one by one.**

With such a large amount of work facing you, you can feel the urge to hop from task to task, completing a little of each step then moving on to another. This method wastes your precious energy and delays your timeline.

3

## **Complete the work as quickly as possible.**

The longer you wait to get started, the longer you will continue to pay for upkeep and extra house bills. Time for mourning is entirely appropriate, but if you don't start dealing with your inherited home as quickly as possible, you could have this burden hanging over your head for months—or years.

The process of dealing with your inherited home will be difficult. However, keep in mind that there are always family members, friends, and professionals willing to help in your time of need.

# How True Legacy Homes Can Help You

We know how overwhelming dealing with inherited property can be.

That's why True Legacy Homes exists—we are specifically designed to serve the personal property and real estate needs of families in life transitions like you. We combine an estate sale service, construction company, and Pacific Sotheby's real estate team to seamlessly clear out, repair, and sell your home.

Without professional help, inheritors are doing the work of a project manager, cleaner, repairman, marketer, mover, and real estate agent at the same time. That's too great a burden for anyone, let alone someone who is adjusting to new circumstances.

We can help you by:

- *Managing the estate sale.* From preparation to marketing, we'll run the estate sale, helping liquidate possessions in a timely manner.
- *Cleaning the home.* We will thoroughly clean the home and arrange for the safe removal of any remaining items.
- *Packing and moving valuables.* If you would like to keep any belongings, we can move them to your residence or storage space, or ship them to other recipients.
- *Purchasing the home.* We can either help list the home for a sale or buy it as-is, with no fees and no commissions.

By working with our professional team, we hope you can complete the process of inheriting a home with the feeling that you have done the absolute best for your friend or loved one. Peace of mind is our biggest wish for our clients—and exactly why we're here every step of the way to help.

# Additional Information

We are here to answer any questions you may have. Please contact us for a free consultation or free evaluation of your estate.



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