

TECHNICAL BRIEF: PRE-SALE REPAIR STRATEGY FOR REAL ESTATE INVESTORS

Code Compliance Reference for Investor Exit and Realtor Partnership Operations

Ducere Construction Services, Inc. | Georgia State Minimum Standard Building Code — IRC / IBC

\$9,500+ typical inspection failure tax on a single property before carrying costs	73% of inspection-flagged repairs are permit-able and preventable before listing	2-Year standard Ducere warranty on all pre-sale repair work — transferable to buyer
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Introduction: The Repair That Pays for Itself

The most expensive repair is the one a buyer's inspector finds after you have already listed the property. The second most expensive is the one you paid for but cannot prove was permitted, code-compliant, or performed by a licensed contractor.

This brief covers both problems. It is written for real estate investors and the realtors who represent them — the people who need a property to pass inspection, appraise at full value, and close without escrow holds or repair credits eating into the margin. The central principle: pre-sale repairs are not about making the property look good. They are about eliminating every reason a buyer, inspector, appraiser, or lender could object to the sale. When done correctly by a licensed general contractor with permits and documentation, pre-sale repairs increase sale price, reduce days on market, and prevent post-inspection renegotiation.

A property that passes inspection on the first pass sells at asking. A property that fails inspection sells at a discount — or not at all.

1. THE INSPECTION FAILURE TAX

When a buyer's inspector flags an issue, the cost is not just the repair. It is the repair plus the renegotiation premium. Pre-sale repairs performed by a licensed GC with permits eliminate the premium:

Condition Flagged	Repair Cost	Buyer Demand	Net Loss
Roof replacement needed	\$8,000	\$10,000	\$2,000+
Electrical panel undersized (60-amp/fuse)	\$2,500	\$4,000	\$1,500+
Retaining wall — no permit/Letter of Completion	\$12,000	\$15,000+	\$3,000+
Unpermitted work in title history	\$5,000	\$8,000+	\$3,000+
Extended carrying costs (per month delayed)	—	—	\$1,500–\$3,000

Total inspection failure tax on a typical \$350,000 property: \$9,500+ before carrying costs.

2. WHAT PRE-SALE REPAIRS ACTUALLY INCLUDE

Structural and Foundation Systems

■ **Retaining Walls (Cobb County Code Section 122-125 / IRC R404):** Any retaining wall exceeding 2.5 feet in height requires a permit and professional engineering design in Cobb County. Engineered walls require geogrid reinforcement with minimum Long Term Design Strength (LTDS) specified by the Engineer of Record. Critical-phase inspections required: foundation bearing, leveling pad, wall embedment depth, geogrid type and layout, and backfill compaction to 95% Standard Proctor. Cobb County issues a Letter of Completion after final inspection — this is the document a buyer's inspector and appraiser need to confirm code compliance. A wall without a permit and Letter of Completion is an open liability that will be flagged in every due diligence review.

■ **Foundation Crack Repair (IRC R401–R404):** Active cracks (horizontal, stair-step, or diagonal) require structural evaluation before listing. Waterproofing and drainage correction must accompany any crack repair. Document with photographs, contractor affidavit, and PE letter where structural repair is required.

■ **Floor System Replacement (IRC R502):** Water-damaged or termite-affected floor joists and subfloor must be permitted and inspected. IICRC S520 mold remediation protocol required if mold is present. Clearance testing documentation required before closing affected areas.

Major Systems

■ **Roof (IRC R905):** The number one inspection flag on investor properties in Atlanta. A roof with missing shingles, visible sagging, or active leakage will trigger a buyer demand every time. If remaining service life is under 5 years, replacement before listing is the correct investment. Roof replacements in Cobb County require a permit. Document with contractor affidavit, permit closure, and manufacturer warranty.

■ **Electrical Panel (NEC 2023 / IRC E3501):** Minimum 100-amp breaker panel. 200-amp expected on properties over 2,000 SF. 60-amp service and fuse panels are financing red flags — most lenders will not close without panel upgrade. GFCI protection required in kitchens, bathrooms, garages, and exterior outlets per NEC 210.8. All panel upgrades require an electrical permit.

■ **Plumbing (IRC P2501):** Galvanized pipe (pre-1990 Atlanta properties) and polybutylene supply lines (1980s–1990s construction) must be replaced before listing. Both trigger financing flags that block most conventional loans. All plumbing replacements and drain line modifications require a plumbing permit.

■ **HVAC (IRC M1401):** If the system is over 12 years old, replacement before listing is typically the right call. Document with permit, manufacturer warranty registration, and installer affidavit — these add verifiable value at appraisal.

■ **Water Damage and Mold (IICRC S500 / S520):** IICRC-certified remediation with proper documentation is required: moisture mapping, remediation protocol, and clearance testing by an independent industrial hygienist. Undocumented mold remediation is worse than no remediation — it suggests concealment and creates post-closing liability.

Code Compliance and Safety Items

The following items are deal-killers at closing when flagged during inspection:

- ☐ Missing handrails on staircases with 3+ risers — IRC R311.7.8 (required 34"–38" height)
- ☐ Missing or non-functional smoke detectors — IRC R314 (each sleeping room + each level)
- ☐ Missing or non-functional carbon monoxide detectors — IRC R315 (adjacent to sleeping areas)

- [] Window egress non-compliance in basement bedrooms — IRC R310 (min 5.7 SF clear opening)
- [] Missing GFCI protection — NEC 210.8 (kitchens, bathrooms, garages, exterior outlets)
- [] Missing AFCI protection in bedrooms and living areas (post-2002) — NEC 210.12
- [] Unpermitted additions or conversions discovered in title history or AHJ permit records

3. PROHIBITIONS — WHAT WILL FAIL DUE DILIGENCE

The following conditions will be flagged by buyer's inspectors, appraisers, or lenders:

1. Retaining wall over 2.5 ft without Cobb County permit and Letter of Completion
2. Roof replacement without permit (Cobb County and most Georgia jurisdictions)
3. Panel upgrade without electrical permit
4. Plumbing replacement without plumbing permit
5. Mold remediation without IICRC-certified documentation and clearance test
6. Water damage repair without moisture clearance documentation
7. Any structural repair without PE letter or permit where required
8. Unpermitted addition, conversion, or modification discovered in title history
9. Open permits from prior work — will appear in title search and delay closing

4. COMMON VIOLATIONS AND HOW TO PREVENT THEM

Violation 1: Retaining Wall Without Permit

Problem: Investor property has a retaining wall over 2.5 ft built without Cobb County permit. Flagged during buyer due diligence — no Letter of Completion on file.

Prevention: Pull permit history through the Cobb County Community Development Agency portal before listing. If no permit exists, engage a licensed GC and PE to evaluate, design, and permit before listing.

Violation 2: Mold Remediation Without Documentation

Problem: Prior owner performed mold remediation using unlicensed labor with no IICRC protocol, no clearance test, and no documentation. Buyer's inspector finds evidence of prior mold.

Prevention: All mold remediation must follow IICRC S520 protocol. Clearance testing by an independent industrial hygienist closes the record. Documentation goes in the property file and is disclosed to the buyer's agent proactively.

Violation 3: Unpermitted Electrical Work

Problem: Prior owner upgraded panel or added circuits without permit. Discovered during buyer's inspection or title search. Buyer demands permit retroactively or price reduction.

Prevention: Verify all electrical work against permit records. Retroactive permitting by a licensed electrician resolves the issue before listing. Document in the seller disclosure.

Violation 4: HVAC Replacement Without Documentation

Problem: Investor replaced HVAC with no permit, no manufacturer warranty card, no installer affidavit. Appraiser cannot verify age or condition. Buyer's lender requires proof of working HVAC.

Prevention: All HVAC replacements must include: permit (or documented exemption), manufacturer warranty registration, and installer affidavit. These documents add verifiable value at appraisal.

Violation 5: Roof Repair by Unlicensed Contractor

Problem: Roof repaired by an unlicensed roofer after purchase. Buyer's inspector flags active leakage. No permit, no warranty, no licensed contractor affidavit.

Prevention: All roof work must be performed by a licensed contractor with a written warranty and, where required, a permit. Retain the invoice, contractor license number, and warranty documentation in the property file.

5. REMEDIATION OPTIONS WHEN VIOLATIONS ARE FOUND

Option A: Permitted Repair by Licensed GC (Preferred)

Engage a licensed general contractor to perform the repair with all required permits. Pull permit, complete work, pass inspection, obtain final inspection approval. Cleanest resolution — eliminates any buyer objection.

Option B: Retroactive Permitting

For work performed without a permit, engage a licensed contractor to evaluate the existing work, bring it into compliance if needed, and pull a permit for inspection. Available in most Georgia jurisdictions for non-structural work. Structural work may require PE involvement.

Option C: Price Adjustment with Disclosure

When remediation is not feasible before the listing date, document the condition fully, disclose to the buyer's agent, and adjust the list price or provide a closing credit. This increases days on market and reduces net proceeds — last resort, not first.

Option D: Engineering Review

For structural conditions (retaining walls, foundation, load-bearing modifications), engage a licensed PE to design and seal a repair detail. Submit to the AHJ for approval. Document with photographs, the engineer's letter, and permit for the project file.

6. WHY A LICENSED GENERAL CONTRACTOR — NOT A HANDYMAN

■ **Permit Authority:** Only a licensed contractor or property owner acting as own GC can pull permits in most Georgia jurisdictions. Unpermitted work surfaces in title searches and buyer due diligence — it can retroactively affect title and block closing. A licensed GC with a Georgia GC License (GCCO006711) pulls permits across all trades as the single point of accountability for the entire pre-sale repair scope.

■ **Inspector and Appraiser Confidence:** Work performed by a licensed GC with permits is documented as 'professionally repaired — no further action needed.' Work by an unlicensed laborer is flagged for specialist evaluation — which means a buyer demand for credit, a re-inspection, or a contract termination.

■ **Insurance Coverage for Post-Closing Failures:** A licensed GC carries General Liability Insurance. If a pre-sale repair fails after closing, the buyer's recourse is against the contractor's warranty and insurance —

not the seller. Without a licensed contractor, the recourse is against the seller directly.

■ **Documentation Package:** A licensed GC provides: permits and final inspection approvals, contractor affidavits and lien waivers (no mechanics' lien risk post-closing), warranty documentation (Ducere standard: 2 years, transferable), before-and-after photography, and material specifications with manufacturer warranties. This package eliminates buyer objections before they are raised.

7. FIELD INSPECTION CHECKLIST — PRE-LISTING

Use this checklist before authorizing listing of an investor property:

- ☐ Roof inspected — remaining service life documented by licensed contractor
- ☐ HVAC system inspected — age and condition documented; replaced if over 12 years
- ☐ Electrical panel verified — minimum 100-amp breaker panel; no fuse box or 60-amp service
- ☐ Plumbing verified — no galvanized or polybutylene supply lines remaining
- ☐ Retaining walls inspected — permit and Letter of Completion on file for any wall over 2.5 ft
- ☐ Foundation inspected — no active cracks, water intrusion, or hydrostatic pressure evidence
- ☐ Water damage and mold — IICRC S500/S520 remediation with clearance testing documentation
- ☐ Handrails installed on all staircases with 3 or more risers (IRC R311.7.8)
- ☐ Smoke detectors installed and functional in each sleeping room and on each level (IRC R314)
- ☐ Carbon monoxide detectors installed adjacent to all sleeping areas (IRC R315)
- ☐ Window egress confirmed for all basement bedrooms (IRC R310)
- ☐ GFCI protection confirmed in kitchens, bathrooms, garages, exterior outlets (NEC 210.8)
- ☐ No open permits from prior work — confirmed via AHJ public records
- ☐ All pre-sale repair permits pulled, inspected, and closed before listing date
- ☐ Contractor affidavits and lien waivers delivered for all repair work
- ☐ Warranty documentation provided to realtor (Ducere: 2-year, transferable)
- ☐ Before-and-after photo documentation complete
- ☐ Documentation package assembled for buyer's agent, inspector, appraiser, and lender

8. YOUR PRE-SALE REPAIR TIMELINE

Week 1	Property Assessment Licensed GC conducts room-by-room and exterior inspection. Prioritized repair list produced: must-fix (inspection-critical), should-fix (buyer objection risk), and optional (value-add). Permit history verified via AHJ public records.
Week 1-2	Scope and Budget Line-item pricing with budget options at multiple levels (inspection-pass vs. retail-ready). Timeline estimated against target listing date. Permit requirements identified for each scope item.

Week 2-4	Permitting and Execution All permits pulled before work begins. Licensed subcontractors for specialized trades. Progress documentation provided to realtor. Critical-phase inspections scheduled with Engineer of Record for structural work (retaining walls, foundation repairs).
Week 4-5	Documentation and Listing Prep All permits closed with final inspection approvals. Contractor affidavits and lien waivers delivered. Warranty documentation provided. Before-and-after photography complete. Documentation package assembled for buyer's agent, inspector, appraiser, and lender.

9. CODE CITATIONS

Requirement	Code Section
Retaining walls (Cobb County)	Cobb County Code Section 122-125
Retaining walls (IRC)	IRC R404
Foundation systems	IRC R401–R404
Roof coverings	IRC R905
Electrical general	NEC 2023 / IRC E3501
GFCI protection	NEC 210.8
AFCI protection	NEC 210.12
Plumbing general	IRC P2501
Mechanical general	IRC M1401
Handrails	IRC R311.7.8
Smoke detectors	IRC R314
Carbon monoxide detectors	IRC R315
Egress windows	IRC R310
Mold remediation	IICRC S520
Water damage restoration	IICRC S500
Fire-rated penetrations	IRC R302.4
Conventional light-frame (IBC)	IBC 2308

10. DUCERE CONSTRUCTION FIELD POLICY

1. **Pre-listing assessment:** All investor properties receive a room-by-room and exterior inspection before any work begins. The assessment produces a prioritized repair list: must-fix (inspection-critical), should-fix (buyer objection risk), and optional (value-add).

2. **Permit default:** All permits required by the AHJ are pulled before work begins. No work proceeds on permit-required scope without an active permit.

3. **Documentation package:** Every project includes permits and final inspection approvals, contractor affidavits and lien waivers, warranty documentation (2-year standard warranty), before-and-after photography, and material specifications with manufacturer warranties.

4. **Bearing wall default:** When wall type is unclear, apply the more restrictive standard.

5. **Subcontractor compliance:** Any sub who performs work without required permits or outside their licensed scope is responsible for remediation at their own cost. Non-compliant subs may be restricted from draws until the violation is cured.

6. **Inspection readiness:** The field superintendent completes the Section 7 checklist before requesting any rough-in or final inspection. Failed inspections due to permit violations are documented as a sub performance issue.

7. **Realtor coordination:** The project timeline is aligned with the realtor's target listing date. The documentation package is delivered to the listing agent before the MLS go-live date.

Prepared for field operations, investor clients, and realtor partners. Verify against current Georgia State Amendments and local AHJ requirements before applying on any project. For questions or engineering referrals, contact the Ducere Construction office.

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