

Preparing an Inherited Property for Sale

*A practical Colorado planning guide — what to do, in what order,
and what to skip.*

Preparation is not renovation. The distinction matters enormously.

The goal of preparing an inherited property for sale is not to transform it into the home it might have been. It's to present it clearly, honestly, and at its best given its actual condition — so that the right buyers can evaluate it accurately and make competitive offers.

Most inherited properties benefit from targeted, strategic preparation — not from attempting a full renovation before listing. The families who spend the most on preparation do not consistently achieve the highest net proceeds. The families who spend strategically — addressing what matters and skipping what doesn't — typically do better.

This guide walks through preparation in the order it should actually happen.

OBSERVED REALITY

The most consistent preparation mistake is starting with visible cosmetics — paint, flooring, fixtures — before addressing the issues that will arise at inspection. A beautiful interior with a failed sewer line still fails inspection. Address systems first. Finishes second, if at all.

STEP ONE

Before Any Work Begins: Evaluate First

No preparation work should begin before a clear property evaluation is complete. This means understanding current as-is market value, what comparable properties are selling for, and what — if anything — will actually affect buyer behavior or financing. Without this baseline, preparation decisions are guesses.

PRE-PREPARATION CHECKLIST

- Obtain a current as-is market value assessment from a real estate broker
- Walk the property with a contractor before committing to any scope of work
- Identify any Tier 1 issues that will affect financing or buyer confidence
- Get real bids — not estimates — for any work you're seriously considering
- Run the renovation math: will this improvement return more than it costs?
- Align all heirs on the preparation budget and decision authority before work begins
- Establish a maximum preparation budget and do not exceed it without re-running the math

OBSERVED REALITY

Preparation budgets tend to expand once work begins. A locked scope and a fixed budget — agreed to by all parties before a single contractor is hired — is one of the most important preparation decisions you'll make.

STEP TWO

Personal Property and Cleanout

Cleanout is almost always the most emotionally demanding part of preparing an inherited property — and it's often underestimated in both time and difficulty. A home filled with decades of accumulated belongings cannot be listed effectively until it has been cleared to a level that allows buyers to see the property itself.

PERSONAL PROPERTY

- Allow adequate time for heirs to review and claim meaningful personal items
- Document valuable items before removal — photographs, appraisals for significant pieces
- Contact an estate sale company for properties with significant contents
- Coordinate donation pickups for items not claimed and not estate-sale appropriate
- Arrange junk removal for remaining items — budget for multiple loads in most cases
- Do not throw away documents without review — look for financial accounts, insurance policies, deeds
- Do not discard anything that appears to have collector value without a second opinion

OBSERVED REALITY

Estate sale companies typically charge 30–40% of gross proceeds — but they handle pricing, staffing, advertising, and cleanout coordination. For homes with substantial contents, this is often a better outcome than family-coordinated sales and donations.

Safety, Liability, and Disclosure

Before the property is shown to buyers, any condition that creates a safety risk or significant liability for the seller should be addressed or documented. Colorado requires sellers to disclose known material defects — and as an executor or heir, what you know about the property matters.

SAFETY AND DISCLOSURE

- Walk the property specifically looking for trip hazards, unstable structures, or access risks
- Ensure all stairs, railings, and decks are structurally sound before showings
- Confirm the property can be safely shown — no hazardous materials left behind
- Discuss disclosure obligations with your real estate broker before listing
- Document any known defects in writing — this protects you during and after the transaction
- Do not attempt to conceal known defects — the liability risk significantly exceeds any benefit
- If uncertain about a condition, disclose it and let buyers evaluate

Address Tier 1 Issues — and Only Tier 1

Tier 1 issues are those that will affect buyer financing, trigger lender requirements, significantly reduce buyer confidence, or kill a transaction at inspection. These are the only repairs that are reliably worth addressing before listing in an as-is or light-preparation sale strategy.

ISSUE	WHY IT MATTERS	ADDRESS BEFORE LISTING?
Active roof leak	Fails most lender requirements; buyer financing risk	Yes
Recalled electrical panel (Federal Pacific, Zinsco)	Uninsurable in many cases; significant buyer deterrent	Yes — or price accordingly
Non-functioning HVAC	FHA/VA requirement; retail buyer financing risk	Yes if retail buyer pool targeted
Active water intrusion	Mold risk; disclosure obligation; buyer deterrent	Yes — stop source, document remediation
Failed sewer line	Will appear on sewer scope; buyer credit request certain	Consider — or price in as-is

ISSUE	WHY IT MATTERS	ADDRESS BEFORE LISTING?
Foundation with active movement	Engineering report required; buyer financing complex	Engineer report first; repair if practical
Open permits / code violations	Title and closing complications	Resolve before listing
Dated cosmetic finishes	Buyer discounts in offer; rarely kills deal	No — price-in strategy usually better
Old but functioning appliances	Minor buyer concern; rarely deal-critical	No

STEP FIVE

What Not to Renovate First

This is one of the most valuable sections in this guide. The following improvements are commonly undertaken by families preparing inherited properties — and frequently produce poor returns relative to their cost.

IMPROVEMENT	WHY IT RARELY PAYS IN INHERITED PROPERTIES
Full kitchen renovation	High cost (\$25K–\$100K+), taste-dependent, buyer may prefer to choose their own finishes. Returns rarely exceed 50–60% of cost in inherited properties.
Bathroom gut renovation	Same logic as kitchen — high cost, personal taste, buyer preference. Light updates (fixture swap, reglazing) may be worth considering; full gut rarely is.
New flooring throughout	Buyers commonly replace flooring themselves. Refinished hardwood is the notable exception — good ROI if the wood is salvageable.
New windows	High cost, rarely changes sale price proportionally. Failed-seal windows are worth disclosing and pricing in, not always replacing.
Landscaping overhaul	Basic cleanup and mowing: yes. Full landscape redesign: no. Buyers rarely pay for landscaping at the cost of installation.
New appliances	Rarely add equivalent value. If appliances function, leave them. If they don't, replace with basic functional models only.

Preparation That Consistently Adds Value

A small number of preparation actions reliably improve buyer perception and reduce friction at inspection — without requiring significant investment.

ACTION	WHY IT WORKS	APPROX. COST
Professional deep clean	Removes the most immediate negative impression; costs very little	\$300–\$800
Hardwood floor refinishing	High visual impact, good ROI, frequently reveals better floors than expected	\$3–\$5/sq ft
Interior paint — selective	Fresh neutral paint in main areas meaningfully improves perception. Not always worth doing throughout.	\$1,500–\$5,000
Exterior cleanup and mowing	First impression matters. Basic exterior cleanup is almost always worth doing.	\$200–\$800
Fixture and hardware updates	Low cost, visible improvement. Dated cabinet hardware, light fixtures, and faucets can be updated inexpensively.	\$500–\$2,000
Professional photography	Non-negotiable. Poor listing photography reduces buyer traffic before they ever see the property.	\$250–\$600
Pre-listing sewer scope	Know what's there before buyers find out. Avoids surprise credits; allows informed pricing.	\$150–\$300

Vendor Coordination

Most families preparing an inherited property are coordinating multiple vendors for the first time — often remotely, often while managing other estate responsibilities. Sequencing matters: some work has to happen before other work can start.

SEQUENCE	VENDOR / ACTION	NOTES
1st	Estate cleanout / personal property removal	Must happen before any other work can begin

SEQUENCE	VENDOR / ACTION	NOTES
2nd	Any structural or major system repairs	Roof, electrical, plumbing — before cosmetic work
3rd	Remediation (mold, water intrusion) if applicable	Before closing walls, floors, or painting over affected areas
4th	Hardwood refinishing or flooring work	Before painting — dust and finish damage paint
5th	Interior paint	After floors, before fixtures and hardware
6th	Fixture and hardware updates, minor cosmetics	Final interior work before cleaning
7th	Professional deep clean	After all work is complete — immediately before photography
8th	Exterior — landscaping, cleanup, pressure washing	Can run parallel to interior work
9th	Professional photography	After everything is complete — don't rush this step

Not sure what your property actually needs before listing?

Schedule a walkthrough consultation with Brendan Gustafson. We'll assess the property together, identify what matters, build a realistic preparation scope, and get you to market without over-spending.

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