

Seller Inspections: Streamlining Real Estate Transactions

abridged from an article by Nick Gromicko, former realtor and Founder of the National Association of Certified Home Inspectors

Seller inspections (sometimes referred to as pre-listing inspections) are becoming more popular because they streamline real estate transactions. Seller inspections are arranged and paid for by the seller, usually just before the home goes on the market. The seller is the inspector's client. The inspector works for the seller and generates a report for the seller. The seller then typically makes multiple copies of the report and shares them with potential buyers that tour the home for sale.

Seller inspections are a benefit to all parties in a real estate transaction. Here are a few of the advantages to sellers, buyers, real estate agents, and inspectors:

Advantages to the seller:

- The seller can choose a certified NACHI inspector rather than be at the mercy of the buyer's choice of inspector.
- The seller can schedule the inspections at the seller's convenience.
- The seller may be alerted to items of immediate personal concern, such as radon gas or active termite infestation.
- The seller can assist the inspector during the inspection, something normally not done during a buyer's inspection.
- The seller can have the inspector correct any misstatements in the inspection report before it is generated.
- The report can help the seller realistically price the home if problems exist.
- The report can help the seller substantiate a higher asking price if problems don't exist or have been corrected.
- A seller inspection reveals problems ahead of time which:
 - might make the home show better.
 - gives the seller time to make repairs and shop for competitive contractors.
 - permits the seller to attach repair estimates or paid invoices to the inspection report.
 - removes over-inflated buyer procured estimates from the negotiation table.
 - alert the seller to any immediate safety issues found, before agents and visitors tour the home.
- The report provides a third-party, unbiased opinion to offer to potential buyers.

Call Kristian Martin at 224 636 4422 or Allison Martin at 224 636 4433
to schedule an inspection or for more details on Martin Home Inspection Services, Inc.

Martin Home Inspection Tips

For Home Buyers, Sellers and Real Estate Professionals

Seller advantages, continued

- A seller inspection permits a clean home inspection report to be used as a marketing tool.
- A seller inspection is the ultimate gesture in forthrightness on the part of the seller.
- The report might relieve a prospective buyer's unfounded suspicions, before they walk away.
- A seller inspection lightens negotiations and 11th-hour renegotiations.
- The report might encourage the buyer to waive the inspection contingency.
- The deal is less likely to fall apart the way they often do when a buyer's inspection unexpectedly reveals a problem, last minute.
- The report provides full-disclosure protection from future legal claims.

Advantages to the home buyer:

- The inspection is done already.
- The inspection is paid for by the seller.
- The report provides a more accurate, third-party view of the condition of the home prior to making an offer.
- A seller inspection eliminates surprise defects.
- Problems are corrected or at least acknowledged prior to making an offer on the home.
- A seller inspection reduces the need for negotiations and 11th-hour renegotiations.
- The report might assist in acquiring financing.
- A seller inspection allows the buyer to sweeten the offer without increasing the offering price by waiving inspections.

Advantages to the real estate agent:

- Agents can recommend certified NACHI inspectors as opposed to being at the mercy of buyer's choices in inspectors.
- Sellers can schedule the inspections at seller's convenience with little effort on the part of agents.
- Sellers can assist inspectors during the inspections, something normally not done during buyer's inspections.
- Sellers can have inspectors correct any misstatements in the reports before they are generated.
- Reports help sellers see their homes through the eyes of a critical, third-party, thus making sellers more realistic about asking price.
- Agents are alerted to any immediate safety issues found, before other agents and potential buyers tour the home.
- Repairs made ahead of time might make homes show better.
- The reports provide third-party, unbiased opinions to offer to potential buyers.
- Clean reports can be used as marketing tools to help sell the homes.
- Reports might relieve prospective buyer's unfounded suspicions, before they walk away.
- Seller inspections eliminate buyer's remorse that sometimes occurs just after an inspection.
- Seller inspections reduce the need for negotiations and 11th-hour renegotiations.
- Seller inspections relieve the agent of having to hurriedly procure repair estimates or schedule repairs.
- The reports might encourage buyers to waive their inspection contingencies.
- Deals are less likely to fall apart the way they often do when buyer's inspections unexpectedly reveal problems, last minute.
- Reports provide full-disclosure protection from future legal claims.

Martin Home Inspection Tips

For Home Buyers, Sellers and Real Estate Professionals

Common myths about seller inspections:

Q. Don't seller inspections kill deals by forcing sellers to disclose defects they otherwise wouldn't have known about?

A. Any defect that is material enough to kill a real estate transaction is likely going to be uncovered eventually anyway. It is best to discover the problem ahead of time, before it can kill the deal.

Q. Isn't a home inspector's liability increased by having his/her reports be seen by potential buyers?

A. No. There is no liability in having your seller permit someone who doesn't buy the property see your report. And there is less liability in having a buyer rely on your old report when the buyer is not your client and has been warned not to rely on your report, than it is to work directly for the buyer and have him be entitled to rely on your report.

Q. Don't seller inspections take too much energy to sell to make them profitable for the inspector?

A. Perhaps. But not when the inspector takes into account the marketing benefit of having a samples of his/her product (the report) being passed out to agents and potential buyers who are looking to buy now in the inspector's own local market, not to mention the seller who is likely moving locally and in need of an inspector, plus the additional chance of re-inspection work being generated for the inspector.

Q. A newer home in good condition doesn't need an inspection anyway. Why should the seller have one done?

A. Unlike real estate agents whose job it is to market properties for their sellers, inspectors produce objective reports. If the property is truly in great shape the inspection report becomes a pseudo marketing piece with the added benefit of having been generated by an impartial party.

Q. Don't seller inspections and re-inspections reduce the number of buyer inspections needed in the marketplace?

A. No. Although every inspection job a NACHI member catches upstream is one his/her competitors might not get, especially if the buyer waives his/her inspection and/or the seller hires the same inspector to inspect the home he/she is buying, the number of inspections performed by the industry as a whole is increased by seller inspections.

Call Kristian Martin at 224 636 4422 or Allison Martin at 224 636 4433
to schedule an inspection or for more details on Martin Home Inspection Services, Inc.