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A Seller's Guide to Navigating the Home Inspection.

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Passing the inspection advances you to the next level: closing the deal on your house.

Getting beyond the home inspection is sort of like advancing to the next level in a video game.

When you get past this step, you get to advance to a fresh, exciting place -- your new home, to be exact.

In Every Inspection, There Are Stakes for Buyers and Sellers

Once the buyer has made, and you've accepted, the offer, your home will get the once-over from the buyer's home inspector. The inspection is usually a contingency of the offer, meaning the buyer can back out based on serious problems discovered. The lender also expects an inspection to make sure it's making a good investment. Makes sense, right?

During the home inspection, an inspector will examine the property for flaws. Based on the inspector's report the buyer will then give you a list of repair requests.

Your agent will work with you to negotiate those requests. Don't want to be responsible for a repair? (Maybe it's best if the buyer has the fix made by their own contractor anyway.) Your agent may be able to negotiate a price credit with the buyer instead.

By the way, inspections aren't necessarily a big, scary deal. Your agent will help advise you about repairs you need to make before the inspection. In fact, she may have made those recommendations to you even before you put the home on the market. And if you've been maintaining your home all along (and you have, right?), your punch list may be minimal.

In addition, back when you put the home on the market, you were required to disclose to buyers the home's "material defects" -- anything you know about the home that can either have a significant impact on the market value of the property or impair the safety of the house for occupants. Material defects tend to be big underlying problems, like foundation cracks, roof leaks, basement flooding, or termite infestation.

What a Home Inspection Covers Depends on the Home

Every home is different, so which items are checked during your property's inspection may vary. But home inspectors typically look at the following areas during a basic inspection:

- Plumbing systems
- Electrical systems
- Kitchen appliances
- Heating, ventilating, and air conditioning (HVAC) equipment
- Doors and windows
- Attic insulation
- Foundation and basement
- Exterior (e.g., siding, paint, outdoor light fixtures)
- Grounds

Depending on the sales contract, the purchase may also be contingent on a roof inspection, radon inspection, or termite inspection.

What a home inspection cover is the unseen. Your inspector isn't going to rip open walls or mountaineer on the roof. (Though that would be kind of exciting to watch.)

A home inspection report is by no means a to-do list of things that you must address. Many home repairs, including cosmetic issues and normal wear and tear, are negotiable.

There are, however, three occasionally overlapping types of repairs that sellers are typically required to deal with after a home inspection:

Structural defects. This is any physical damage to the load-bearing elements of a home; these issues include a crack in the foundation, roof framing damage, and decaying floor boards. **Safety issues.** Homes for sale have to meet certain safety standards. Depending on where you live, safety issues that you, the seller, may have to address could include mold problems, wildlife infestation, or exposed electrical wiring. **Building code violations.** Building code violations -- such as the absence of smoke detectors, use of non-flame retardant roofing material, and use of lead paint after 1978 -- must be addressed by the seller.

Again, addressing these might take the form of a credit on the price, which in the case of structural issues could be sizeable.

Use This Checklist to Prepare for a Home Inspection

So, are you ready for the inspection? If you take these steps (with your agent's assistance) you will be:

- Assemble your paperwork.** Transparency is key. Ideally, you'll have summaries or invoices of renovations, maintenance, and repairs you've done on your home that you can provide to the home buyer. Create a file that collects this documentation and share it with the buyer.

- Make sure your home is squeaky clean.** Your home should be pristine when the inspector arrives -- a good first impression will set a positive tone. Take time to

declutter and deep clean the whole house. A deep clean (stuff like cleaning the range hood and upholstery and sanitizing garbage cans), averages between \$200 and \$400, according to Angie's List, depending on the size and condition of your home.

•**Remove any obstacles that may block the inspector's access** . Take measures to ensure the inspector has complete access to all facets of the property, including electrical panels, attic space, and fireplaces. This may require temporarily moving clothing and other items that impede access.

•**Leave the utilities on.** For the home inspector to test items such as the stove, dishwasher, furnace, and air conditioning system, the utilities must be connected regardless of whether the house is vacant; otherwise, the inspector may need to reschedule, which can potentially push back closing.

•**Fix minor problems ahead of time.** Many cosmetic issues -- say, a broken light fixture or a scratch on the wall -- are minor and easy to fix, but they can make buyers more concerned about how well you've maintained other areas of the home. It's best to take care of small problems yourself before the buyer's inspection.

It's a Good Idea to Do Your Own Inspection Before the Inspection

Some sellers choose to hire their own home inspector to check the property before their house is even listed. This is called a "pre-listing inspection," and it has several advantages:

•**It can give you time to fix deal breakers.** Granted, a pre-inspection costs money -- a basic inspection is about \$315, with condos and homes under 1,000 sq ft. costing as little as \$200 and homes over 2,000 sq ft. running \$400 or more, according to HomeAdvisor.com. That said, it can enable you to address major issues that could cause a buyer to pull out of their offer. Big problems may include mold, water damage, or foundation cracks.

•**It can mean fewer surprises -- help you market your home.** Knowing what needs to be fixed in your home in advance will enable you to be upfront with buyers about any big pre-existing issues, which can give buyers peace of mind. You can also make it known to prospective buyers that consideration for those items has already been factored into the sales price.

•**It can speed up the negotiation process.** Having a pre-listing inspection can help reduce, or even eliminate the time-consuming process of having back-and-forth negotiations.

If you discover any material defects to the property in a pre-listing inspection, you are legally required to disclose them to buyers -- even if you fix them. Also there's no guarantee that the buyer's own inspection won't reveal things yours didn't find. The choice to do a pre-listing inspection is yours, but it never hurts to get a head start on repairs.

Be Aware of These Tried-and-True Tactics for Negotiating Repairs

When it comes to repairs, your agent will haggle with the buyer's agent for you -- though it's ultimately your decision as to how you want to respond to the buyer's home repair requests.

Here are four time-tested negotiating techniques that your agent may deploy to protect your best interests -- without reducing the sales price:

Agree to make reasonable repairs. Unless your house is flawless -- and the reality is that no one's is -- be prepared to receive repair requests from the buyer. You don't have to offer to fix *everything* that buyer asks of you, but you should take responsibility for major issues. **Offer a closing cost credit.** Don't want to deal with the hassle of making or ordering home repairs yourself? Ask your agent to offer the buyer a credit at closing for the estimated costs. This can also help you avoid complaints from the buyer over the quality of the workmanship, since you won't be the one overseeing the repairs. **Barter.** One way to smooth things over with a buyer and keep the deal moving forward is to offer something of value that's unrelated to the requested repairs. For example, if you know the buyer loves the new couch or bedroom set you bought, you could offer to leave it behind in exchange for making fewer repairs. **Leverage the market.** You may have more negotiating power depending on where you live. In a hot seller's market, for instance, you might be in the position to offer the buyer fewer repairs, especially if you have another buyer eager to make an offer.

Home inspection may sound like a burdensome process, especially when you're so close to your goal. But when you cross it off your list, you're readier than ever to jump to the next level -- and into your life's newest phase.

