

# THE BEST TIME TO INSPECT

by Wallace J. Conway

Home inspections conducted prior to a home being placed on the market is one of the wisest moves a seller can make. The initial response from sellers when approached with the idea of an inspection done as the home is about to be put up for sale is most always the same - "What?!"

Let's review a few of the most common concerns about Pre-Listing Home Inspections.

## 1. "The buyer will not accept an inspection done for the seller."

That is correct! The inspection done for the seller is not intended to replace the inspection done for the buyer. The purpose of the pre-listing inspection is to put the seller in control!

Given that no good surprise can come to the seller during the home inspection, regardless of when it is done or whom it is done for, it makes perfect sense to get every strand of information as soon as it can be gotten. Bad news doesn't get better with time.

If there is some bad news, or more correctly, some items that needs attention or might have an impact on the home's value, who better to receive that information than the seller? And when is a better time to receive that information than before the home is placed on the market?

The simple fact is this - a home inspection at the time of listing will put the seller in the best possible position. With the complete and clear view of the home's strengths and weaknesses, the home can be marketed to the best benefit of the seller.

## 2. "I don't want to pay for the inspection."

This is certainly understandable. The seller generally perceives that the inspection is intended for the buyer, hence, should be a buyer's responsibility. But to have the benefit of the information it must be paid for. Never have we had a complaint from a seller about the value of the inspection! In every case at the conclusion of a pre-listing inspection, the seller felt they had made a good choice in spending the money to get the inspection done.

In most cases, the seller's feel good getting the peace of mind of knowing that no major event or expense will be uncovered by the buyer's inspector. And on the rare occasion when it is discovered by the pre-listing inspector that the roof is completely shot or there is some other big expense or danger, the sellers, while not happy to have the problem, are glad to have discovered it on their own terms. The small expense of the inspection is always less then the

cost and aggravation of a hurried hunt to get something repaired or replaced after the home is under contract.

Save the pain, spend the money. Get every home inspected prior to putting it on the market!

### 3. "The home is selling 'as is'."

This may be the best reason of all to inspect at listing! If the home is being sold "as is", reduce your risk and liability as the seller by getting a pre-listing inspection. In order for the home to sell quickly and at the highest price, disclose every condition of the home. The inspection gives both the buyer and the seller the comfort of knowing that the home "is as it is". With a pre-listing inspection, there is a high likelihood that the home is as represented.

Even in an "as is" contract, the buyer may still have their own inspection performed. If these two inspections are similar in content, it is rare the buyer will walk or counter offer. That, in fact, is the goal of the "as is" sale.

Another concern of sellers is that they will have to repair every item that is discovered to be discrepant on the inspection report. This is simply not true. It would be true that every discrepant item needs to be disclosed, and those disclosures may impact value and hence asking price, but nothing need necessarily be corrected.

Amazing as it may seem, homes inspected prior to going on the market have two very significant attributes:

1. They sell faster than homes not inspected until the buyer has made an offer.
2. They sell closer to the asking price than homes not inspected until the buyer has made an offer.

Why the heck does that happen?

When the buyer makes an offer, there is an assumption made by the buyer, reasonable or not, that there is nothing wrong with the home! If there was something wrong with the home that the seller knew about, but did not disclose, shame on them, it is about to cost them money. Most often, though, the items that come up on the inspection by the buyer were unknown to the seller. Sur-prise, sur-prise, sur-prise! And we've already established that surprise is not good in real estate. So how is it that the inspection for the seller makes the buyer pay more for the home and do it in less time?

Let us create an example of a 20-year-old home that has a fair market value of \$100,000, just to make the math easy. That value assumes that nothing is wrong with the home. When the buyer has the home inspected it is with the

assumption that anything discovered to be wrong will be corrected by the seller or a price concession will be made.

Now, let's consider that the buyers inspection revealed the need for a new roof, several plumbing leaks, and the need for replacement of three exterior doors. When these discoveries are made by the buyer's inspection, the clock is running and running fast. These items need to be corrected before the sale can be completed. This time crunch puts the seller at a disadvantage when dealing with the contractors. When time is critical, you have fewer choices and the costs go up. Additionally, the buyer often wants to have input on who does what work.

This situation is always tense and expensive. It can be avoided!

Let us now assume that the inspection result occurs, but it is for the seller as the home goes onto the market. The seller is now in control. Armed with a clear picture of what is wrong, the seller can choose to shop calmly for the best value in repair contractors, offer a credit at closing or adjust the sales price to reflect the diminished value. They can even make the necessary repairs, then increase the price of the home to reflect the increased value!

No matter the choices made, the seller, on the seller's time frame, makes them. This actually makes for a neater, simpler buying decision for the buyer. The buyer knows better what condition the home is in and knows what issues to base the initial offer on. The buyer will still in most cases get the home inspected, but this is a breeze. It is rare that any additional items of significance arise.

**The pre-listing inspection puts deal killing at the lowest risk. Most often, it makes for an awesome deal-closing tool!**