

Are you selling your house?

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Saturday, 12 June 2004
Last Updated Friday, 31 August 2007

Now that you've made the decision to sell your home, the next difficult task will be negotiating the selling price with your buyer. Home inspections have become a key part of buying and selling real estate and a wise investment for both the buyer and seller. Did you know that more than 80% of all home purchases involve an inspection at the request of the buyer, their attorney or lending institution? Why go through the negotiation process a second time if the home inspection identifies a problem.

Eventually your buyers are going to conduct an inspection. You may as well know what they are going to find by getting there first. Having an inspection performed ahead of time helps in many ways:

Allows you to see your home through the eyes of a critical third-party.

Helps price your home realistically.

Permits you to make repairs, keeps defects from becoming negotiating stumbling blocks.

Provides time to get contractors estimates or make the repairs yourself.

It may encourage the buyer to waive the inspection contingency.

Relieve prospect's concerns and suspicions.

Reduce liability by adding professional supporting documentation to your disclosure statement.

Alerting you to immediate safety issues before agents and visitors tour your home.

Another main reason home sale transactions fall apart is because of inspections. This happens when something unanticipated is discovered during the buyers' inspections of the property, and the buyers and sellers can't agree on a remedy. For example, the sale of a four-year-old, multi-million dollar property in Northern San Diego County recently fell apart because of an inspection. A team of inspectors were brought in by the buyer to report on the property's condition. The roof inspector said that the roof needed \$450,000 worth of work. Not surprisingly, the buyer immediately backed out of the deal. The sellers are suing the roofer who inspected the roof. Other roofing experts agreed that the roof had some problems; it had been improperly installed. However, their repair estimates were all a fraction of the "deal-killing" bid. The judge might grant the sellers a judgment against the roof inspector. But, this will provide little satisfaction because the sellers are still searching for another buyer. Would the sellers have been better off ordering a home inspection before they marketed their home for sale? Yes!! they would have. (A home inspection is a comprehensive inspection of the home and all its major systems and components.) The seller's inspector would have called attention to problems with the roof. The sellers could have consulted roofers before marketing their home to get estimates for repairs. Then, they could have marketed the home, disclosing that the roof needed work, along with the repair estimates. Or, they could have had the repair work done before the house was listed for sale. There's a lot of psychology involved in a home sale. Buyers who are aware of a problem up-front can process this information before making an offer. They can factor the cost into their bid, or ask the sellers to take care of the problem. Buyers often have mixed feelings of excitement and trepidation when they enter into an agreement to buy a home. The impact of an unexpected "bad" report can destroy their excitement and enhance their fear to the point that they want nothing to do with the property. Tip: If you have decided that a pre-sale home inspection is the way to go you should make sure that the home inspector you choose is well-known and respected in the local real estate community. One reason for using an inspector who has a good local reputation, and name recognition, is that you want the buyers, and their agent, to feel comfortable with your inspector. This will add credibility to your report. Your agent should make the report available to buyers to review before they make an offer. Encourage the buyers to have their own inspection done as well.