



Home Tips®



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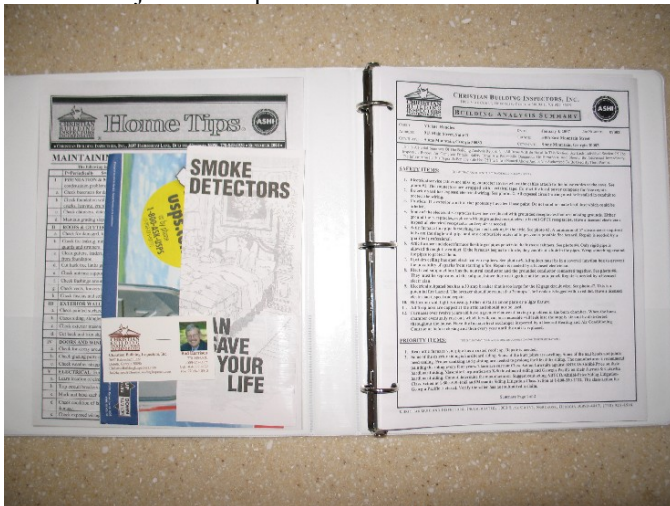
Pre-Listing Inspection?

We had a contract on our house, but it fell through due to a last minute surprise on the inspection report. Is there a way to prevent this from happening in the future?

Your problem is by no means new to the selling process. What is becoming more popular to prevent last minute surprises is pre-listing inspections.

Pre-listing inspections are inspections paid for by the seller before a house is put on the market. They are becoming more popular because they not only reduce the possibility of last minute surprises but also give their clients a marketing advantage when selling their homes.

Some real estate agents only recommend pre-listing inspections when the house is in need of major repair. Others recommend them to all the sellers. Just because the home is newer or in very good cosmetic shape, does not mean it could not have major hidden problems.



According to the “2005 Home Inspection Business Operations Study,” conducted by the American Society of Home Inspectors in Des Plaines, Ill., the number of pre-listing inspections has been increasing slowly but steadily during the past decade. The study, which is based on a nationwide survey of about 18,000 home inspectors (response rate: 14.7 percent) and covers business operations during the 2004 calendar year, found pre-listing inspections accounted for about 2.6 percent of an inspector’s annual business, up from 1.5 percent in 1996. On average, an inspector conducts about 200 home inspections annually.

Although the percentage of pre-listing inspections is still relatively low, the increase is significant, especially as many real estate markets show signs of cooling, says Rob Paterkiewicz, executive director of ASHI based in Des Plaines, Ill. “Sellers are realizing it’s not just their market anymore. Thanks to the Internet, potential buyers are walking into homes more knowledgeable than ever before, and sellers know they must do everything they can to sell their house,” Paterkiewicz says. He estimates pre-listing inspections might already represent as much as 5 percent of an inspector’s business, and he expects the trend to continue.

“A lot of this activity is being driven by real estate practitioners,” rather than consumers, says Dan Steward, president of Tampa, Florida based Pillar To Post Inc., a national franchise of home inspection companies, because practitioners want faster transactions with fewer surprises or hiccups.

Like Paterkiewicz, Steward’s also seen an increase in pre-listing inspection activity. “A pre-listing inspection helps get buyers comfortable with the idea of making an unconditional offer. There’s also a greater sense of security because the seller and practitioner are being very forthright, demonstrating that there’s nothing to hide.”

The need to make certain repairs—such as to mechanical systems (heating and air conditioning, plumbing, and electrical) and to address safety issues (broken locks, loose handrails)—almost goes without saying. But the pre-listing inspection can help the owner and practitioner decide which, if any, of the remaining projects to address before putting the house on the market.

Even if sellers decide not to make any of the suggested fixes, a pre-listing inspection can still prove beneficial, Steward says. For example, it allows sellers to obtain cost estimates for needed work, so they can offer potential buyers an appropriate, not excessive, discount off the listing price.

Listing the potential problems and cost involved to correct the deficiencies before the home is placed on the market will create good-will between the buyer and seller and reduce the stress levels of last minute surprises.

ADDITIONAL INFO CAN BE FOUND AT:

American Society of Home Inspectors

<http://www.ashi.org/>

National Association of Home Inspectors

<http://www.nahi.org/>

National Association of Certified Home Inspectors

<http://www.nachi.org/prelisting.htm>

What Your Home Inspection Should Cover

<http://www.realtor.org/rmtoolkits.nsf/pages/consumerE04?OpenDocument>

