

Seller inspections (sometimes referred to as pre-listing inspections) are becoming more popular because they virtually eliminate all the pitfalls and hassles associated with waiting to do the home inspection until a buyer is found. In many ways, waiting to schedule the inspection until after a home goes under agreement is too late. 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 who tour the home for sale. Seller inspections are a benefit to all parties in a real estate transaction. They are a win-win-win-win situation. Home inspectors should consider offering seller inspections and marketing this service to local listing agents.

#### **Advantages to the Home Inspector:**

- Seller inspections allow the inspector to catch inspection jobs upstream, ahead of real estate transactions and the competition.
- Seller inspections are easier to schedule and are not under the time constraints of a sales agreement's inspection contingencies.

- Working for sellers is typically less stressful than working for buyers who are about to make the purchase of their lifetimes.
- Sellers can alert the inspector to problems that should be included in the report, answer questions about their homes, and provide Seller's Disclosure Statements.
- Repairs of problems found during seller inspections often necessitate the need for re-inspections by the inspector.
- Seller inspections put a sample copy of the inspector's product -- the report -- in the hands of many potential buyers who will need a local inspector soon.
- Seller inspections put a sample copy of the inspector's product -- the report -- in the hands of many local buyers' agents who tour the home.
- The inspector is credited, in part, with the smoothness of the real estate transaction by the buyer, seller and agents on both sides.
- The liability of the inspector is reduced by putting more time between the date of the inspection and the move-in date of the buyers.
- The liability of the inspector is reduced because the inspector's clients are not buying the properties inspected, but, rather, moving out of them.

- The buyer might insist on hiring the seller's inspector to produce a fresh report, since the seller's inspector is already familiar with the home.
- Seller inspections provide inspectors the opportunity to show off their services to listing agents.
- Seller inspections provide examples of the inspector's work to the listing agent of each home, which might encourage those agents to have other listings pre-inspected by the inspector.
- Most sellers are local buyers, so many sellers hire the inspector again to inspect the homes they are moving into.

#### Advantages to the Seller:

- The seller can choose a certified InterNACHI 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.
- It might alert the seller to any items of immediate 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.
- The report might 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.
- 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 re-negotiations.
- 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 last-minute problem.
- The report provides full-disclosure protection from future legal claims.

#### Advantages to the Real Estate Agent:

- Agents can recommend certified InterNACHI 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 buyers' inspections.
- Sellers can have inspectors correct any misstatements in the reports before they are generated.

- The 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.
- Reports hosted online entice potential buyers to tour the homes.
- 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.
- The reports might relieve prospective buyers' 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 re-negotiations.
- 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 last-minute problems.
- Reports provide 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 re-negotiations.
- 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.

#### Suggested Language for:

- inspectors to add to their seller inspection reports;
- sellers to use to encourage buyers to perform their own fresh inspections; and

- agents to use to encourage buyers to perform their own fresh inspections:

“Note: Just as no two home inspectors and no two reporting systems are alike, no two inspection reports, even if performed on the same property at the same time, are alike. This seller or pre-listing inspection report was performed for my client, the home seller, with the cooperation and assistance of my client, the home seller. It assumes full disclosure on the part of my client, the home seller. My client may choose to share my report with others, but it was performed solely for my client. Although ABC Inspections performs all inspections and writes all reports objectively, without regard to the client’s personal interests, performance of additional, fresh inspections (which, of course, could reveal and report matters differently) should be considered.”

### 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 report 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) 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 is in need of an inspector, plus the additional chance of re-inspection work that is 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 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 an InterNACHI 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 s/he is buying, the number of inspections performed by the industry as a whole is increased by seller inspections.