



The Ins and Outs of Home Inspections

Jon Martin, Martin Farrell Homes

If you are a prospective buyer out looking at homes, you probably have realized that in our area, much of the housing stock is aging. This means that the home you are looking at is not going to be in perfect condition, and could be in poor condition.

You may have a general idea of what work the house needs on the surface - maybe new carpet and a paint job. You may have asked yourself:

- *How much is there to fix that I can't see?*
- *What components of the home may be functioning improperly or on their "last leg" and will need to be replaced soon?*
- *Is the home structurally sound?*
- *Are there earthquake weaknesses?*
- *Are there safety hazards which need to be addressed?*

For most buyers, the importance of having these questions answered before going forward with a home purchase is critical. It is the reason nearly all homes sold today are inspected by a professional home inspector. This article is intended to give you some basic information about home inspections so that you will know what is involved, how much it costs, how to use the information, and how to find and work with a home inspector who will meet your needs.

What is a Home Inspection?

A home inspection normally takes place once a purchase agreement is entered into. If you are represented by a real estate agent, you will be encouraged by your agent to include a contingency in your purchase agreement which allows you the time to have an inspection performed, and then approve the findings of the report. The home inspection is a standard contingency check-off in the preprinted purchase agreement forms used in most home transactions.

In some cases, a seller will have already had an inspection performed, in which case you can decide to accept the seller's report or have one prepared yourself.

...the repair work is typically a point of negotiation in a transaction.

The purpose of the home inspection is to give you information about the condition of the home as seen through the eyes of a professional inspector. The inspector will examine the various components of the home and make a written evaluation of each one. This includes the structure of the home, the roof, foundation, drainage, heating and air conditioning system, the visible parts of the plumbing and electrical, the walls, windows and appliances. The inspector will then prepare a report telling you what he or she inspected, and a list of items that need repair.

The first thing that you will notice about the report is that it is likely to be a long list of items needing work or soon to need work, and this may be scary at first. Keep in mind that you're not alone. Nearly every home inspected generates a substantial list of corrections. Dwayne DeVries of Independent Building Inspections says, "Nearly all homes I inspect have long lists of deficiencies. Some are minor, some are maintenance issues, and some are significant. Very, very few home sales take place where every item on the list is corrected before close of escrow." So don't be upset when the home of your dreams has a long list of deficiencies - nearly all homes do.

Who Makes the Repairs?

Once you have identified the repair work needed, the next question is "who pays for it?" This is not something that a home inspector can help you with. It is something that your real estate agent can help with. Sometimes a house

is marketed in “as is” condition. To the seller, this may mean that you, the buyer, are to pay for any repairs you identify. Under the real estate law, the seller is required to disclose to the buyer any known defects up front. The disclosure of a defect up front could mean that since the seller has told you

about it, he expects you to fix it. The bottom line is that the repair work is typically a point of negotiation in a transaction, there is no standard situation, and your real estate agent is best-suited to help you with that process.

One thing you should certainly avoid is the seller’s statement that he will fix it himself. “Because your inspector should not reinspect a home to see that the repairs have been made satisfactorily” says Richard Box of Homebuyers Inspection Service, “a professional repair person specializing in the trade in question should be hired to perform the repair. Otherwise, you won’t know if the work is done right and you won’t have a warranty on the repair.” It is often better to get a credit from the seller and have the repairs done yourself, so you can be sure the work is done property.

How Do I Select a Home Inspector?

To go about finding the home inspector who is right for you, there are a few questions to ask. Since home inspections are not regulated by the

Ask your inspector if he or she welcomes your presence at the inspection. You can learn a great deal about the home by accompanying the inspector on his or her visit.

state, there are no licensing requirements. It is important to know what other qualifications a prospective inspector has.

“Most professional inspectors hold a general building contractor’s license,” says Rick White of AmeriSpec. “Most also belong to the California Real Estate Inspection Association (CREIA), and/or the American Society of Home Inspectors (ASHI). These associations have standards of practice, conduct testing, and have established a code of ethics which their members are required to uphold.” State law recently recog-

nized these associations as setting the standard for the profession.

Ask your inspector if he or she welcomes your presence at the inspection. You can learn a great deal about the home by accompanying the inspector on his or her visit.

One of the most important things in selecting your inspector beyond the professional qualifications discussed above is your overall impression of the person you will be working with. Consider the following:

- You may want to ask how long the inspector plans to spend on the inspection; most inspections require two hours or more.
- Ask your inspector if he or she welcomes your presence at the inspection. You can learn a great deal about the home by accompanying the inspector on his visit.
- Will the person you are talking with on the phone be the one to conduct the inspection?
- Does the company have errors and omissions insurance?
- Will there be time for your questions about the report?
- How much of an effort will he spend accessing attics and crawl spaces?

If you ask your inspector how long he or she has been in business, be sure you find out how long he or she has been a home inspector. Some inspectors may have been tradesmen or in a construction-related field for years, which is not the same as experience as a home inspector.

How Much Will It Cost?

Depending on how you negotiate your purchase agreement with the seller, you may be paying for your own inspection and will want to know the cost. In general, the industry is competitive, and cost differences among inspectors will not be

significant. Most inspectors in our area charge \$250 - \$300, with a surcharge of about \$50 per thousand square feet for larger homes. If the home is one with difficult accessibility or in very poor condition, you should expect to pay \$50 to \$100 more. In nearly every case, the cost of the inspection is less than the cost of the repairs identified, and if you negotiate repair costs to be paid by the seller, then the inspection has saved you money.

Remember that the job of the home inspector is to make a thorough assessment of the home, but not to make any guarantees with respect to its components. A home inspection is not a home warranty. It is intended to be information so that you are not surprised when you move in about what may need fixing.

Above all, remember that when your home inspection points out a laundry list of repairs, don't assume the seller is trying to pull a fast one on you. Just because your inspector points out problems, it does not mean that those problems were deliberately hidden from you. "Many times, people just don't know what is wrong with their homes" says Richard Box. "The inspection reduces liability and bad feelings all around if everyone knows what the situation is before escrow closes.

The home inspectors interviewed in this article participate in the Coastal Housing Partnership Homebuyer's Assistance Program.