

Seller Inspections: Streamlining Real Estate Transactions.

by Nick Gromicko

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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 inspections until a buyer is found. In many ways, waiting to schedule inspections 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 that tour the home for sale. Seller inspections are a benefit to all parties in a real estate transaction. They are a win-win-win. 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 sales agreement's inspection contingencies.
- Working for sellers is typically less stressful than working for buyers 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 buyer's agents that tour the home.
- The inspector is credited, in part, with the smoothness of the real estate transaction by 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 opportunities to showoff their services to listing agents.
- Seller inspections provide examples 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 and so many sellers hire the inspector again to inspect the homes they are moving to.

Advantages to the seller:

- The seller can choose a certified NACHI 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 of any items of immediate personal 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 renegotiations.
- 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 problem, last minute.
- The report provides full-disclosure protection from future legal claims.

Advantages to the real estate agent:

- Agents can recommend certified NACHI 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 buyer's inspections.
- Sellers can have inspectors correct any misstatements in the reports before they are generated.
- 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.
- 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.
- Reports might relieve prospective buyer's 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 renegotiations.
- 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 problems, last minute.
- 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 renegotiations.
- 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.
- 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, performing 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 reports be 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) being 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 in need of an inspector, plus the additional chance of re-inspection work being 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 it 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 a NACHI 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 he/she is buying, the number of inspections performed by the industry as a whole is increased by seller inspections.

Sample letter for inspectors to send to listing agents:

Dear Jane Smartagent:

I am Joe Goodspector of ABC Inspections. I am writing to encourage you to contact me about pre-inspecting your listings. The advantages to your real estate business and your home selling clients are many:

- *You can recommend me, a certified NACHI inspector, to do the inspection as opposed to being at the mercy of buyer's choices in inspectors.*
- *Your sellers can schedule the inspections at their convenience, direct with me, with little effort on your part.*
- *Your sellers can assist me during the inspections, something normally not done during buyer's inspections.*
- *Your sellers can have me correct any misstatements in my reports before I generate them.*
- *My reports help sellers see their homes through the eyes of a critical, third-party, thus making sellers more realistic about asking price.*
- *I will alert you to any immediate safety issues I find before other agents and potential buyers tour the homes I inspect.*
- *Repairs made ahead of time might make your listings show better.*
- *My reports provide third-party, unbiased opinions to offer to potential buyers.*
- *My reports can be used as marketing tools to help sell the homes.*
- *My reports might relieve prospective buyer's 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 renegotiations.*
- *Seller inspections relieve you of having to hurriedly procure repair estimates or schedule repairs.*
- *My reports might encourage buyers to waive their inspection contingencies.*
- *Your deals are less likely to fall apart the way they often do when buyer's inspections unexpectedly reveal problems, last minute.*
- *My reports provide full-disclosure protection from future legal claims.*

Of course I always stand ready to perform inspections for your buyers. However, I would like to meet with you in person to explain how I can help streamline your real estate transactions. This seller inspection service I offer might also be used to procure future listings and/or sell homes that are already on the market. Please contact me.

*Joe Goodinspector
ABC Inspections
(123) 456-7890*

A good question to ask when presenting to a group of real estate agents:

Have any of you had a deal fall apart in the 11th hour over an inspection report?

Every hand will go up.

Sample letter for inspectors to send to home sellers:

Dear Mr. Homeseller:

I am Joe Goodinspector of ABC inspections and I noticed you are selling your home. I am writing to encourage you to contact me about inspecting your home before any more potential buyers tour it. The advantages of having it inspected now are many:

- *You can have me, a certified NACHI inspector, do the inspection rather than be at the mercy of the buyer's choice of inspector.*
- *You can schedule the inspection with me at your convenience.*
- *I might be able to alert you to any items of immediate personal concern, such as radon gas or active termite infestation.*
- *You can assist me during the inspection, something normally not done during a buyer's inspection.*
- *You can correct any misstatements in your inspection report before I generate it.*
- *The report can help you realistically price your home if problems exist.*
- *The report can help you substantiate a higher asking price if problems don't exist or have been corrected.*
- *My report will reveal problems ahead of time which:*
 - *might make your home show better.*
 - *gives you time to make repairs and shop for competitive contractors.*
 - *permits you to attach repair estimates or paid invoices to the inspection report.*
 - *removes over-inflated buyer procured estimates from any future negotiations.*
- *My report might alert you to any immediate safety issues found, before agents and visitors tour the home.*
- *My report provides a third-party, unbiased opinion to offer to your 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 your part.*
- *My report might relieve prospective buyer's unfounded suspicions, before they walk away from your home.*
- *A seller inspection lightens negotiations and 11th-hour renegotiations.*
- *My report might encourage your buyer to waive the inspection contingency.*
- *Your deal is less likely to fall apart the way they often do when a buyer's inspection unexpectedly reveals a problem, last minute.*
- *My report provides you with full-disclosure protection from future legal claims.*

I would like to talk with you in person to explain how I can help streamline your real estate sale. And of course I always stand ready to inspect the home you are buying as well. Please contact me.

*Joe Goodinspector
ABC Inspections
(123) 456-7890*

The above talking points within the sample letters can be used by inspectors to create separate brochures that promote his/her seller inspection service.

In summary, seller inspections streamline the real estate sales process for all parties involved. NACHI recommends that every home be inspected before being put on the market (listed) and recommends annual inspections for homes that aren't for sale.

To speak to a NACHI certified home inspector in your neighborhood who specializes in seller (pre-listing) inspections click the *Pre-Listing* box at www.InspectorLocator.com. An added benefit of using a NACHI certified home inspector is that NACHI's [*Code of Ethics*](#) prohibits its members from offering repair services to correct any defects they find.

NACHI has entered into exclusive agreements with both REALmatcher and OverSeeIt to market solely NACHI performed seller inspections directly to home sellers across N. America beginning in the Fall of 2006.

NACHI members are reminded to add this service to the services they offer by clicking it in <http://www.nachi.org/ancillary.htm>