



Pre-listing Inspections Benefit Everyone

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More and more heavy hitters in the real estate industry are recommending pre-listing inspections. Larry Kendall of The Group, Inc. in Northern Colorado, a real estate educator and owner of a very successful real estate firm is one of them. Chuck Boles, of the Chuck and Buddy Group in Arlington, Virginia, another real estate educator and industry success, recommends them as well.

The reason these forward thinking real estate professionals advocate pre-listing inspections are many, and the benefit is shared by all parties to the transaction. Yes, pre-listing inspections benefit the seller, the buyer, and both Realtors.

A Seller benefits in several ways, first, by learning of defects while they have plenty of time to correct them. They have time to get multiple bids and they can do it at a more relaxed pace than typical contractual agreements allow if demanded by a buyer. If they are qualified to correct the defect themselves, they may do so without dealing with the buyer demanding that a licensed professional make the repairs. Sellers also have the choice of not fixing the defect but disclosing it. In this way they are letting the buyer know about a defect, thus building rapport with the buyer, but not paying for the repair unless necessary. After all, the buyer may or may not request the repair and if they do, the seller can already have lined up possible solutions. The cost of repair can also be built into the price of the home. Finally, pre-listing inspections can help reduce the seller's stress during this challenging phase of the transaction.

Buyers also benefit in several ways. It is likely that the disclosure they receive will be more complete since many times owners don't know about the defects that inspectors find. Another benefit is that defects are identified and possibly corrected, before they even write their contract. Buyer's confidence is increased when buying from someone who has taken the time and effort to have a pre-listing inspection done. They also have more respect for the seller and hence trust is developed. Knowledge that an independent third party has inspected the home may also comfort the buyer. Of course the buyers should have their own independent inspection done, but the likelihood of additional defects being found is reduced.

If you've read this far you're probably realizing some benefits for you as a listing or buying agent as well. For example, wouldn't you expect a transaction to run smoother if inspection results were available ahead of time? Wouldn't negotiating be easier? You'd negotiate once instead of twice. The price of the home could reflect defects already discovered. How many of your deals have fallen as a result of an inspection? If you had inspection results available up front you could save yourself and your clients a lot of headache and heartache by dealing with defects in advance.

Hopefully by now you're convinced of the value of a pre-listing inspection. Here are a couple of other things to think about. Who should pay for the pre-listing inspection? Many times realtors pay for it as a perk to the seller to get a listing. It will make your job easier, and you've done something nice for your client at the start of your relationship. It also helps you list a property that will have fewer bumps during the transaction process. Another thing to consider is what to have inspected. Some inspectors offer a pre-listing inspection that covers only the main components of a home (roof, exterior, HVAC, exposed plumbing, electrical panel, foundation, etc.) at a reduced price. Of course you can always get a typical full-blown inspection if you think it's more beneficial.

Here's wishing you easier, more hassle free transactions by using a powerful tool – the pre-listing inspection.