

The Seller's Guide

to the

Buyer's Home Inspection



As a seller, what can you do to pass your home inspection? Here's the definitive guide for you to save thousands of dollars and help orchestrate a smooth real estate transaction.

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The Home Inspection

There are plenty of things to concern a seller in today's real estate market. The buyer's home inspection should not be one of them. By considering the following potential problem areas, not only will you breeze through your home inspection, but you are likely to make your house more marketable in the process.

When selling your house, it is fair to expect the buyer to ask for a home inspection after negotiating the purchase offer. Over time, simple maintenance tasks left unattended can turn into big problems.

Virginia is a "nondisclosure" state, one of the few. This means that a seller is not obligated to tell the buyer anything about the condition of the property. Here's a passage from the Residential Property Disclosure Statement, a disclosure signed by every seller and buyer. It is disclosing that the seller is required to disclose nothing.

The undersigned owner(s) of the real property described above makes no representations or warranties as to the condition of the real property or any improvements thereon, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary including obtaining a certified home inspection, as defined in § 54.1-500, in accordance with the terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

Because of this, the buyer will almost certainly require a satisfactory home inspection as a contingency before moving forward with the purchase. Even if you keep your home in perfect shape, the home inspector will likely find something that requires repairs.

It has been my observation that sellers are much more concerned with the outcome of a home inspection than the buyer. Remember that the buyers are making a huge life decision by agreeing to purchase your house. They are not looking for ways to get out of a contract. They simply want the home they have chosen to be in good working condition.

The good news is that a home inspection is not a pass/fail event. Even with a home in good condition, it is not uncommon to have a list of buyer requested repairs after the inspection. As long as there are no major issues, it is unlikely the buyer will be scared away.

Should I get a home inspection before I put my house on the market? – It depends, but probably not. It is important to fix the glaring discrepancies beforehand (like a broken air conditioner or leaking roof) but you don't need a home inspection to find these problems.

The following checklist will help you quickly and easily identify problem areas. For all other small issues, the buyer may not even ask to have them fixed even if the home inspector finds them. Nine times out of ten, a seller initiated home inspection is a waste of money. Here's the exception... If you have an older home that has clearly seen better days (perhaps a rental), then a home inspection print out available during showings may give the buyers a feeling of assurance that they are not walking into a money pit. Even so, they are still likely to do their own home inspection.

So grab your ladder, flashlight and outlet tester and let's get started!

Seller's Checklist

1. Roof/flashing – If you have missing shingles or nail pops, the inspector will find them and the buyer will expect them to be fixed.

Those with the required skills can tackle these themselves ahead of time. Most roofs have about a 20 year life, maybe 30 years if you have the multilayered “architectural” shingles. The rubber collars around the plumbing vent stacks last 10-15 years.

If the roof is nearing the end of its useful life, it is worth making sure that it is in good repair. Otherwise you take the risk having a buyer ask for a whole new roof!



2. Gutters – Make sure you clean them out prior to the home inspection. Gutters full of leaves and debris can result in water damage around the eaves and pooling around the foundation. A leaf blower makes it easy.

3. HVAC (heating ventilation and cooling) - Change your filters! Nothing says ignored and rundown like dirty air filters. The home inspector will check the temperature at the supply vents.

For a heat pump or air conditioner, they like to see a 20-30 degree split from the inside ambient air temperature. If your heat isn't hot or your cool isn't cool, it is worth getting the system serviced. A typical HVAC system will last 10-15 years. There are many oil furnaces around that are serviced yearly that can last much longer than that. The buyer is sure to notice a rusty old air conditioner. If you do not know how old the system is, and the outside condenser looks like it is on its last legs, you may be due for a replacement. One way to get around this is to get a home warranty that transfers to the buyer. More on that later.

4. Foundation and crawl space - Water under the house can lead to mold and termites. And nothing scares buyers more than mold and termites. Every mortgage lender will require a clean "Moisture and Termite Inspection." This is separate from the buyer initiated home inspection and is part of the purchase agreement. It is usually written into a purchase contract that the buyer is obligated to spend up to 1% of the purchase price to make the repairs required to get a clean moisture/termite letter.

If the crawl space is wet, the first thing you should do is to make sure that the soil around the foundation slopes away from the house. Ensure that the gutters are draining far enough away from the house so that the water isn't flowing back into the crawl space. Nine times out of ten, taking these steps will solve the problem.

It is well worth your effort to take care of this ahead of time because most companies doing the moisture/termite report will charge \$2500 to fix a wet crawl space and you won't have a choice in the matter. This includes sealing the foundation and installing a dehumidifier. Sometimes all that is really needed is some soil and gutter extensions.

I have a contract with a termite company - Not all termite companies are created equal. For example, Terminix will not issue a moisture letter, just a clean termite letter. Just because you are under contract does not mean there won't be problems. Recently I was involved with a home that had a termite contract. There was standing water under the house due to poor drainage. The

seller had to pay \$2500 to replace damaged floor joists and beams and \$2500 to encapsulate the crawl space. There were no termites so the termite contract was worthless to them. There are several reputable companies that would not have let this happen. I use Hampton Roads Termite.

5. Electrical – Kitchen, bath, and outside receptacles must be GFCI (ground fault circuit interrupter) protected. Almost every home inspection has a missing or broken GFCI outlet. It's an easy fix for anyone handy with a screw driver. Many times, the buyer will request that any repairs be completed by a licensed electrician. Electricians can charge \$100 per hour. A \$30 repair could easily end up costing you \$200.

6. Plumbing – Fix leaky faucets! Sometimes it is as easy as replacing the rubber grommet in the handle. For very old faucets, it may be worth it just to replace the whole thing. Besides, buyers love new faucets so if you have one that is broken, it pays to buy a new one. Fix leaks under sinks and sand and paint any minor surface damage. Cosmetic water damage is often mistaken for HUGE WATER DAMAGE. The purpose of doing most repairs is to put the buyers at ease. You don't want to stress them out with images of major water damage when all you have is a small drip.

Polybutylene is known to be a problematic plumbing material primarily due to a high incidence of leaks. It was installed in about 6 million homes between 1978 and 1995. It is useful to know ahead of time if your home is plumbed with polybutylene. Here is a good recourse -

<http://www.polybutylene.com/>

I asked my go-to home inspector if he would buy a home with polybutylene plumbing. He said "I have polybutylene plumbing in my home." Having an automatic water shutoff valve can help

reduce the damage caused by a broken pipe and is a good alternative to re-plumbing an entire home – <http://www.flologic.com/Automatic-Water-Shutoff-System.html>

I have seen cases where a buyer has asked to have an entire house re-plumbed with copper (\$5000-\$10,000). I have also seen many cases where the buyers don't seem to care. However, every buyer signs a "Consumer Residential Disclosure Form" before doing the home inspection which includes information about polybutylene plumbing.

7. Chinese Drywall - Homes built or renovated between the years of 2004 and 2008 may have been constructed partially or wholly, using defective drywall imported from China or other sources. Such defective drywall may release a sulfur-like smell or may cause corrosion of electrical coils and wiring. The latest and greatest from the [Consumer Products Safety Commission](#) is to replace all defective drywall.

Home inspectors can easily tell if a home has defective Chinese drywall. If corrosion is found on the coils in the heat exchanger of the AC unit, Chinese drywall is usually the culprit. Needless to say, if you suspect that you have defective drywall you should find out the full extent of the problem before putting your house on the market.

8. Exterior Insulation and Finish System (EIFS, pronounces E'-fis) – EIFS, or synthetic stucco, is not a well respected siding for residential



homes (this is the polite way of saying that many buyers and agents run away as soon as they see it). Every agent has seen an EIFS inspection go poorly and usually at great cost to the seller. The problem isn't the material itself but the problems that develop from improper installation.

Properly installed and maintained EIFS is no better or worse than other type of siding. However, when EIFS fails, it usually fails big and results in mold and termites. If you have EIFS, I highly recommend having an EIFS inspection done ahead of time, the necessary repairs completed, and the clean report available for both agents and prospective buyers.

If you need more convincing, I'm full of terrible EIFS stories!

9. Home Warranty Insurance: There are several home buyer warranty programs available at a variety of prices, levels of coverage and deductible amounts. These warranties may be purchased upon settlement, by either seller or buyer, and generally provide coverage of such items as appliances, heating, cooling, plumbing and electrical systems.

The plumbing and electrical systems can last as long as the house. When they fail, it often results in water damage or fire which is more of a homeowner's insurance issue. The HVAC system is another story. If your system is on its last legs, it may be worth considering a home warranty while you put your home on the market. Having a home warranty may be enough to put the buyer at ease instead of asking for the entire HVAC system replaced.

It is not uncommon for a buyer to ask for a home warranty to be included after the home inspection. It usually cost less than \$500.

Home Inspectors

Anyone can be a home inspector. If you buy a new home, you can be your own home inspector. Your brother can put a "Home Inspector" magnet on the side of his car without any training and go to work as a home inspector.

To be a "certified home inspector" in the state of Virginia is a different story. You need to have completed a certain number of classroom hours and passed a state exam. The good news is that most home inspectors usually have many years of experience in some field of construction. The bad news is that they aren't necessarily experts in the fields they are inspecting.

There's more to being a good home inspector than finding the hidden building code violations. They all use the same checklist and as a result, they all find nearly the same issues. The difference between a good inspector and a bad inspector comes down to his "bedside manner." Can he highlight the real problems and keep from anchoring on the insignificant? Can he present his findings in a way that will engage the buyers rather than alarm them?

When representing the seller, I make sure that I am at the home inspection for two reasons. First, if the home inspector starts creating a mountain out of a mole hill, I can guide the conversation with the buyer towards the solution rather than keeping it focused on the problem. The buyer does not care about the details of the problem if there is an easy solution. Second, since the seller is usually not at the inspection, I need to fully understand the details so that I can explain them to the seller afterwards.

At the end of the day, the home inspector should be someone who helps make sure that the buyer is fully informed. It is up to the buyer, seller, and their agents to come to an agreement after the inspection. Having a good home inspector makes the entire process run more smoothly.

Will Layton

I have been selling real estate for several years but it was remodeling that got me into it. My wife and I bought our first house in Norfolk and I gutted half of it while I was still in the Navy. She was lucky enough to visit her parents in Ohio during the demolition.

Here's a picture of me underneath a beam that I installed replacing a load bearing wall. What could go wrong? As it turns out, this is a great example of why you should always do a home inspection. Everything was installed according to code, of course, but I had zero experience in construction. Nothing went wrong here, but would you buy this house after an amateur took out a load bearing wall? I'd want a home inspector to take a look at it first.



Three houses later, all with fewer walls than when we moved in, my wife, two daughters, and a dog have settled into a Virginia Beach neighborhood for the long haul. Selling real estate keeps me as busy as I've ever been. I still fly occasionally as a weekend warrior / citizen soldier out of NAS Oceana. But most weekends are spent showing houses to prospective buyers.

“Hey Will, did you always dream of becoming a real estate agent?” Of course not. It found me after I found remodeling. As it turns out, I like helping people buy and sell homes far more than taking homes apart and putting them back

together. It's a rare day I smash a finger while house hunting! However, as an amateur DIY'er, I have a pretty good eye for what it takes to take out a wall. And everybody wants to take out a wall. At some point while looking at homes, the wife turns to the husband and says, “we could take out this wall...” He always looks at me and says, “Is this a load bearing wall?”

