

Pre-Listing House Inspections Growing Trend

By Tom Steele, 2007 CABR President

If you're planning to sell your house in the near future, be aware of the higher-than-average number of homes on the market. You'll be up against an abundance of other sellers, so you'll want to do everything possible to help your house stand above the others.

If you've done your homework, you already know about the tried-and-true advice: Get your house in tip-top shape by making minor repairs, cleaning and painting. Enlist the help of objective professionals, such as staging consultants and REALTORS®.

There's another important piece of advice: Invest in a pre-listing whole house inspection. Pre-listing inspections are not commonplace, but with the slow-down in some real estate markets, they're becoming more prevalent.

Uncover Problems Sooner

The notion is simple: As a seller, you want to get the highest price in the shortest time, so it's in your best interest to uncover any problems that could compromise the sale before a prospective buyer uncovers them for you.

Almost every buyer who makes an offer on a house specifies in the sales contract that the offer is contingent on completing a satisfactory whole-house inspection. Because the buyer requests the inspection, they're responsible for hiring the inspector. And if the buyer's inspector finds a problem, you run the risk of the buyer reducing their offer and maybe even backing out of the deal.

At best, the problem uncovered by the buyer's inspector could delay the closing and force you into paying for repairs that must be made quickly, without the benefit of shopping for the best price and best contractor.

Seller Pricing Strategy Improved

Ralph Carter, broker/president of K&D Realty in Woodlawn, says, "Pre-listing inspections are invaluable in helping the seller determine pricing strategy. If the seller discovers a problem in advance, (he or she) can factor the cost of repairs into the asking price. And whether they choose to fix the problem or sell the house as is, they still know going in what the price negotiations will involve."

"It's a great way for the seller to create a competitive advantage," says Tom Capuano, an ASHI-certified home inspector and president of Pillar to Post in Springfield Township. "Buyers are more educated today. They have access to the Internet and usually show up well informed and aware of the issues—radon, termites and structural.

Eliminate Uncertainty with Pre-Inspection

"When the seller is able to provide the prospective buyer a pre-listing inspection report at the time of showing, it goes a long way in showing that the seller is conscientious and eliminates a lot of uncertainty the buyer might have had about the property going in."

Inspections, in general, have become customary only in the last 20 years. In 1980, only about 10% of home buyers requested an inspection. Today, about 95% of the buyers request one.

Pre-listing inspections seem to be following a similar trend. Today, only about 10% of the sellers invest in a pre-listing inspection, but they're becoming more commonplace.

"I'm definitely for them" says Guy Cagney, president of Cagney, Weisker & Associates in Western Hills. "When the seller waits for the buyer to request an inspection, sometimes it can be a big financial surprise. Doing an inspection ahead of time allows the seller to know if there are any issues and what it's going to cost to fix them. When you know in advance, you can factor the repairs into the asking price.

"I've personally been involved in about 25 to 30 pre-listing inspections, and they have been particularly effective in eliminating gray areas for both the buyer and seller."

With the higher-than-usual inventory on the market, the pre-listing inspection might be just the thing that will help your house stand above the rest.

Tom Steele is president of the Cincinnati Area Board of REALTORS®, the region's largest trade association representing more than 5,000 members.