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Know Your Contract Before You Inspect

Having given many talks to REALTORS, from those who were newly licensed to veterans in our industry, something of paramount importance that I always stress is to know your contract. And while the section of the contract concerning home inspections is relatively brief, there always seems to be questions and uncertainties. Knowing your contract allows you to work confidently with your client, the seller, and the listing agent, as well as the home inspector so you can work through any issues that arise and skillfully negotiate a resolve without adding to what can often turn into a contentious situation. If you feel intimidated by contracts or legal language, there are many wonderful real estate attorneys who know your business and would be willing to spend some time explaining contract provisions and some of the most common pitfalls during a transaction.

Also, I can never stress enough the importance of having a conversation with your client BEFORE the inspection. Most clients have in their mind that if the home inspector puts it on the report, the seller will be required to repair or replace it. This is where your knowledge of the contract matters most. A Realtor's confidence in their knowledge of the contract is "felt" by the client. It adds to the professionalism of the Realtor and the client's confidence in you. They pay more attention to you, and it allows you to be in greater control during negotiations.

The talk you have with the client sets up their expectations for the inspection and the report that follows. you need to explain what an inspection is and, maybe more importantly, what an inspection isn't. The inspection is NOT a pass/fail for the home, nor is the inspection report a to-do list for the seller. The inspector is there for the benefit of the buyer, to tell them everything we can about the home (within the scope of the inspection) so there are no surprises when the buyer moves into their new home. Oftentimes, this means the report may be lengthy, with comments on many elements of the home that do not rise to the level of requiring repair or replacement but may be suffering from "deferred maintenance" or age and the normal wear that comes with years of use.

As a Realtor, you need to communicate clearly that there will probably be money items that are not the responsibility of the seller to repair, replace, or proffer credit for. Many times, I have told Realtors the seven words to say that will eliminate 70 percent of the problems: "You Are Not Buying A New House!" Explain the difference between items with age, normal wear, and cosmetic issues versus items that are legitimately broken or defective. Setting the expectations before the inspection will help your client better digest the home inspection report and allow you to help them effectively negotiate the truly meaningful items.

Always keep in mind that we (home inspectors) are not the enemy. We have no desire or motivations to kill your deal. That brings no joy to anyone in the transaction. We are like umpires - unbiased, there to call the proverbial "balls and strikes." We report on what we see. While our goal is to educate the client about the home so they can make an informed decision, we want to help all the parties work through the inspection process. When there are questions about the report, we always encourage the client and the Realtors (even the seller) to call the inspector and ask questions and discuss the concerns. While we are not seers that can prognosticate, and we are human and sometimes make mistakes, we endeavor to be as truthful and accurate as possible about the elements on which we inspect and report.

John Prete is the owner of HouseMaster. He has been an inspector for 17 years and has performed over 5,500 inspections. In addition to being a Florida licensed home inspector, John is also a Florida Certified General Contractor, mold assessor, radon technician, and WDO/termite inspector. John earned a Bachelor's of Accountancy from George Washington University, CPA designation from the state of Maryland, and an International Masters of Business from Florida International University.