



## Pre-Listing Home Inspections

**Bentley Home Inspection Services** provides hundreds of pre-listing home inspections every year.

There are, no doubt, benefits and risks associated with a pre-listing home inspection. A pre-listing home inspection can save you both time and money. It can help with marketing your home and help you price your home right based on the condition. On the other hand, if you've made updates recently or already know there are issues and don't have the money to make repairs, a pre-listing home inspection may not be beneficial.

Here's what *Zillow* has to say about pre-listing home inspections. If you decide that a pre-listing inspection will help you prepare and sell your house check out our website at [Bentley & Associates LLC \(bentleyhomeinspection.com\)](http://Bentley & Associates LLC (bentleyhomeinspection.com)) or call us at 865-986-2516

### Pre-listing home inspection cost

A pre-listing home inspection costs between \$250 and \$700, depending on where you live and your home's size. For some sellers, the upfront cost is worth the benefits of a pre-inspection. Keep in mind that you won't have to pay for another inspection once you have an offer in hand — that's the buyer's responsibility.

### What a pre-listing home inspection covers

Just like a buyer's home inspection, a pre-listing home inspection checks major systems, mechanicals, windows, and doors and looks for signs of water damage, mold, and cracks. You may also choose to pay extra for radon testing, well-water testing, internal mold testing, or lead-paint testing.

### Motivations for a seller home inspection

Every individual seller's motivations are different, but here are some of the most common reasons people decide to hire a home inspector before listing their home for sale.

#### Fear over losing a buyer to property condition

If you're concerned that a poor buyer's home inspection could break a deal, you might do a pre-inspection so you can repair any major defects before listing. This will help you avoid a lengthy (and stressful) negotiation with your buyer and could prevent them from walking away over serious repair and maintenance issues.

Some of the most common issues that raise red flags in a home inspection are roofing, plumbing, electrical, or foundation issues; termites or other pests; mold or water damage; window or door problems; chimney damage; asbestos; and lead paint.

#### Fear of limited offers due to incorrect pricing



If you don't price your home in a way that properly reflects its condition, you may have a hard time attracting buyers. And you run the risk of accepting an offer only to have the buyer's inspector find hidden problems that lead them to cancel the contract completely.

A canceled contract will show up on your home's property history on the MLS and on sites like Zillow and Trulia. Buyers and their agents are typically wary of homes that have already had offers fall through. If you have a contract canceled on you, be prepared to answer why — buyers' agents will ask!

### **Fear of equity stuck in the home**

Sellers may use a pre-listing home inspection as a way to streamline the sale process in hopes of closing faster. This is especially common for sellers who need to use the cash from their home sale as a down payment on a new home. Completing a pre-inspection can indeed shave a few days off your sale process if it leads to buyers being willing to waive their inspection after seeing your pre-inspection report.

### **Benefits of a pre-listing inspection**

In addition to mitigating some of the fears listed above, here are a few additional benefits of completing an inspection before listing.

#### **Better marketing**

Pre-inspections don't only uncover negatives — they can also give you an opportunity to promote what's great about your home. If your inspector gives you any good news — like your furnace has plenty of good years left or your sewer connection is in perfect condition — you can promote those in your listing.

Just making the results of your pre-inspection available to buyers is a way to build trust. Building trust with your buyer is especially important if you're selling for sale by owner (FSBO), as you'll be working with your buyer directly.

#### **Valuable improvement advice**

A pre-inspection can help sellers prioritize which improvements and upgrades to complete before listing. By following your inspector's advice, you can update the parts of your home that are in most crucial need of repair and bypass less important upgrades. Remember, buyers aren't just looking for cosmetic upgrades. They also want to know that your home's major systems are in good shape. So if you end up replacing your roof, upgrading your HVAC system, or installing new energy-efficient windows as a result of your pre-inspection findings, you'll want to use those as selling points.

#### **More negotiating power**

When you already know the issues that are going to come up during the buyer's inspection, you can price accordingly, which will give you stronger negotiating power. For example, if you've



already factored the need for a new roof into your listing price and you make that clear upon receiving the initial offer, buyers are less likely to come back and try and get you to lower the price further.

Alternatively — but equally as beneficial — if your pre-inspection comes back clean, you will have more leverage when negotiating with buyers.

### **Time saved**

With all the information about your home (good and bad) already out in the open, you won't have to worry about a lot of renegotiating once the buyer does their inspection. And if you opted to have the repairs done before listing, you also won't have the stress of trying to fit in a bunch of repairs while you're busy trying to pack and move.

### **You'll attract serious buyers**

If a buyer is already informed about what's in your pre-inspection and wants to move forward with the purchase anyway, it's a good sign that they're a serious buyer.

### **Opportunity to oversee the repair**

If an issue is uncovered during the buyer's inspection, they'll likely want you to repair it before closing or offer a credit. If they want the repairs completed before closing, the buyer will probably request that a licensed professional complete the work (not done DIY), and they may even want to choose their own contractor.

So, if you can complete the repairs before listing, you have control over the contractor you use (and the budget), or you can even DIY the smaller projects.

### **Disadvantages of a pre-listing home inspection**

Just because your inspector caught something doesn't mean the buyer's inspector would have. So, when you do a home pre-inspection, it's possible you'll find issues that may have otherwise gone undetected. And once you know about them, you're usually obligated to fix them — more on that below.

### **Do you have to disclose a pre-sale home inspection?**

Yes, you have to disclose property condition issues that you are aware of (whether you know of them because of the pre-inspection or another reason). What you are required to disclose depends on where you live, but in general, you're required to let a buyer know about any major flaws in your home. Even in states with less-strict disclosure laws, you are still required to disclose an issue if you're asked directly about it.



Ask your real estate agent for a list of the required disclosures in your state. They are usually related to major systems in the home, structural issues, health concerns, or items that would be very expensive to fix. Here are a few examples of common disclosure questions:

- Are you aware of any lead-based paint in your home?
- Are you aware of any past flooding?
- Are you aware of foundation issues with the home?

Note that anything found during the pre-sale home inspection would be disclosed at the same time as any issues you already knew about in your home. Disclosures are usually shared upon receipt of an offer but can also be made available to interested buyers before they make an offer.

### Do sellers disclose repaired items?

Technically, if the issue has been remedied, the seller no longer has to disclose. However, the rules vary state by state, so consult your real estate agent or attorney. Keep in mind, though, that disclosing certain items you've repaired can actually be a positive for buyers.

### Repairs to point out in marketing

Buyers know that maintenance and repairs are just part of owning a home. So anything that you can point out as recently repaired or upgraded can be very attractive to buyers. Here are a few repairs that buyers love to see:

- **New roof:** Replacing a roof is a big-ticket item, so if your roof is new, make sure it's noted front and center in your home's listing description, e.g., "Roof replaced in 2019!"
- **New wiring:** If you did work to bring your electrical system up to code, call it out — especially if you're selling an older home and buyers might be wondering about the electrical anyway.
- **New furnace or AC:** Every major system in your home has an expected life span, and having to replace a furnace or air-conditioning unit shortly after buying is a worry for buyers. If you've recently replaced one or both of these items, it can put buyers at ease