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Hiring inspectors growing as homesellers' protection

In the slow market, more owners are hiring inspectors to find problems before homes are put on the market

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In this buyer's market, a small but growing number of sellers is hiring inspectors, hoping to avoid any last-minute surprises that could derail closing the sale.

A home inspection report obtained by a seller can be just as detailed as a buyer's report or might include information on major items that could pose a problem for buyers.

"This report gives the seller an opportunity to make necessary repairs so they don't hold up the deal," says Warren Cronacher, principal of Tauscher, Cronacher Professional Engineers, based in Rockville Centre.

Most inspections locally still are conducted for the buyer. But in this slow market, sellers are looking for ways to help push the deal through and sometimes turn to an inspector to check out the house before listing it, local engineers and inspectors say.

In the hot real estate market just a couple of years ago, Tauscher Cronacher conducted just one or two seller inspections a month, says Richard Koller, chief of operations. Now the company's engineers usually do five and sometimes as many as 10 seller inspections a month, out of an average of 170 inspections overall each month.

"The buyers' market is what's driving this," Koller says. "When you have so many choices of houses to pick from, one little item might freak the buyer out a little bit and they might just say, 'Let me find another house.'"

If they see an issue up front, he adds, it won't be as much of a surprise. "They won't think: 'What else hasn't been disclosed to me? They didn't tell me about this, and I found it. What else is going on?'"

Jim Ruppert, owner of Safe Harbor Inspections Inc. in Huntington, says he conducted about 10 seller inspections in January, up from about two or three a year earlier.

"I think it's a trend that's occurring across the country given the market conditions," he says. "Sellers are



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recognizing the wisdom of understanding what they're selling before they put the house on the market. It avoids the surprises and the 11th-hour panic negotiations."

Generating trust

Anthony M. Parlatore, a lawyer in Setauket specializing in real estate, says he emphasizes seller's inspections more than he had during the hot real estate market because the reports can make the house more marketable and generate trust with the buyer.

"If sellers have a heads-up concerning certain obvious problems or recommendations, they'll be in a much better position in dealing with a prospective purchaser," he says.

Merle Chang, 68, a retired social studies teacher who is selling her home in Dix Hills for \$699,000, attracted several buyers after dropping the price. To avoid any last-minute surprises, she hired Safe Harbor to inspect it.

Ruppert found a small amount of water leaking into the garage, a problem the buyer's inspector would certainly have found anyway, he said.

"I'm very happy that I had the inspection because I can fix these things," Chang says.

The listing agent, Bettie Meinel of Century 21 Laffey Associates' Greenvale headquarters, says Ruppert noted selling points, including the upgraded wiring in the home.

Fixing problems can avoid buyers' bargaining down the price of the home, Meinel says.

"There's a saying in real estate," she says. "If a faucet's leaking, if you fix it, it's a \$50 item. If you don't, it's a \$500 item."

Sellers' inspections have long been popular in high-end homes sold by chief executives or sports figures, Koller says. In those cases, the sellers often provide the report to potential buyers.

But now people selling homes at mid-range prices are obtaining such reports, local inspectors say. Sometimes these sellers don't provide the report to potential buyers but merely use it themselves to fix items that could present a problem for buyers. Or sellers may explain to buyers they're aware that, say, the roof needs to be replaced and took the cost into account when pricing the house.

No price difference

If a seller's inspection involves all the same checking as a buyer's inspection, it will cost the same, \$500 to \$600, home inspectors say. But sellers often merely want a limited check, the major items inspected, which could cut the cost in half.

The seller, not the listing agent, generally pays for the inspection. Even so, inspectors say they would never risk ruining their reputation by airbrushing problems at a house.

Inspectors hired by a seller should disclose that arrangement to any buyers seeking an inspection of the same home from the same inspection company, says Bill Loden, chairman of the ethics committee of the American Society of Home Inspectors, a professional society based in Des Plaines, Ill.

Sometimes, sellers decide to get an inspection after the house has been on the market for a while, says

Alex Papp, owner and president of A.J. Papp and Associates based in Garden City and president of the Long Island chapter of the American Society of Home Inspectors.

"We'll look at it and say, 'Why do we think that the buyer might be turned away?'" Papp says. "There might be a lot of issues out there that the seller is not taking care of."

Just two years ago the common advice to sellers was to avoid fixing a roof because of the expense. But today's sellers might consider fixing it to help sell the house, Papp says.

An indication of care

"If you give the impression that you don't give a hoot about your house, then obviously the guy is not going to buy your house," Papp says. "In a market like today, you may be better off taking care of things, even if you have to spend a little more money."

Some sellers, however, are reluctant to spend money on an inspection because in this market they don't expect to get as much money for their home as they would have just a year ago, says Bob Van Stry, owner of Pillar to Post home inspection franchise, which operates in western Suffolk County. "People just don't want to spend the money."

Sellers' inspections are much more common in other parts of the country, where attorneys aren't involved in real estate transactions. But locally most attorneys insist the buyer obtain an inspection, discounting the validity of a seller's inspection, says Charlie Panellino, who runs a local franchise of National Property Inspections in western Suffolk.

"Where attorneys aren't used in real estate transactions, the buyer usually looks at the inspection report and says, 'Yeah, this is good enough for me.'"

Why inspect - and why not

PROS

Allows seller to fix any potential problems or obtain estimates for repairs in advance of the listing

Gives a clean inspection report to help sell the home

Helps seller realistically price the home

Eliminates last-minute negotiations regarding repairs

CONS

The cost: \$300-\$600

The seller must disclose any defects to the buyer, if asked, or refuse to sign the disclosure statement.

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