

# **The Hidden Benefits of Property Inspections**

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Home inspection reports are prepared and read every day, but that report can be a treasure of information and, perhaps most importantly, a toolbox of strategy for the homebuyer. What is the information and strategy contained in the typical inspection report and hidden to many buyers?

- Perhaps the buyer can negotiate a better price armed with the flaws described in the report.
- The report will certainly help the buyer understand the property's "personality"
- The report will guide the buyer in terms of what proposed alterations are possible or reasonable
- It will point out the priority in which those improvements/alterations should be handled
- It can protect condo or co-op buyers to see if defects in common elements might cause a rise in monthly charges down the line.
- It will certainly educate the buyer by helping him gain knowledge as to important home structures and operations and highlight what is not good quality as to these structures and operations.

## **Price Negotiation**

Approaching a seller with a list of 10 property flaws and the cost of repairing them can certainly be a helpful tool in trying to bring the price down somewhat. At least this list will provide the buyer with some poker chips she can use in negotiations. "It will cost me \$3,000 to repair this, why don't you give me a break and reduce the price by half of that?" could be an example of such an approach. The only problem with this strategy is that it is less effective in a seller's market, as the present one is. In such a market, there are so many people willing to pay anything for homes that the seller might just wave good-bye to you.

## **Property Personality**

The home inspection will certainly help the buyer learn more about the property's particular traits, strengths, and weaknesses. Just as a physical exam helps the patient learn that his heart is good, but his blood sugar is too high and he should watch his diet, the home inspection can help the buyer determine that the home's basement is in great shape, that the fireplace has a unique, expensive design, and that the roof needs to be replaced. Such information will not only help the buyer better appreciate his purchase, but it will also lead him to ways to enhance and develop his particular home's uniqueness.

## **Improvement/Alteration Guide**

Another benefit of the report is that it can guide the buyer as to what improvements are needed, how badly they are needed, and what the general scope of such improvements and repairs will be. This information can greatly help the buyer decide if buying a particular home for a particular price is a good idea. The report will also help the buyer determine how critical an improvement or repair is. This will help the buyer prepare a repair/improvement strategy which makes structural and economic senses. For example, it does not make any sense to develop a second floor if the first floor needs upgrading to make it stronger. You would likely want to strengthen the first floor and then work on the second floor once the base of the house is strong. From a zoning standpoint, the inspector may be able to guide the buyer as to what changes and scope of changes are allowed. Imagine buying a house thinking you will extend the kitchen only to discover later that such an extension violates zoning codes and/or is prohibitive in terms of permits!

## **Co-op/Condo Red Flags**

Since the typical co-op and condo owner will want to be aware of any structural common area problems which may exist before buying, the report will provide a valuable information resource in that area. While many buyers of co-ops and condos do not bother with an inspection report, those who do can at least gain this valuable benefit from the process.

## **Buyer Education**

The basic and most important benefit of any inspection and inspection report is the valuable education which it provides for the buyer, not only for the property in question, but also for any future purchase and even for regular home care and upkeep. If a buyer sees what things are supposed to be like, what they are not supposed to be like, and how one goes about keeping them as they should be, this can have a great impact on the focus and discipline with which that buyer will view regular home repair and care.

## **Conclusion**

Many buyers view the home inspection as just a mere step in the process of buying a home, but it can be much more than that. Used correctly, the home inspection and its report can be a valuable information source holding considerable hidden treasures which the smart buyer can use in the present and future as well.