

## Chapter 2

# Inspections

Once you've narrowed your choices down to a house or two (or three) that really make your heart beat rapidly, it's time to inspect the house for your needs—as well as to find out if the house will last without major repairs.

### Give it the once-over—very carefully first

Remember that list you made of all the important things in your future house? Now's the time to really put it to use. Assuming you've found the right neighborhood, commuting situation and so forth, we're down to the house itself.

From your wish/want/need list:

- Are you happy with the layout—where the rooms are located within the structure? If you have children, are their rooms near yours which is good if the children are young? Or are the rooms far away? Are there any safety issues (open stairs for example)?
- Does it have adequate parking? Is there a garage or guaranteed on-street parking? A driveway?
- What about storage capacity and closets? Enough for your needs now? And the future. “Stuff” tends to accumulate too quickly.
- Do the rooms work in terms of your needs? If there isn't an office and you need one, will another room work for you? Does the kitchen function for the way you cook? If you are a rush eater, is there sitting space

within the kitchen? Or only a formal dining area to clean up after you throw more stuff on it? If you are a great chef, is it adequate for your dream meal efforts?

- Is the yard adequate or too much for your lifestyle? Can you maintain it? Room for pets or kids?
- Are you a clean freak? If so, is the house easily maintained or a hag to clean? (Think of flocked wallpaper with fluffy dogs, or kids and white carpet.)

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**Ask About Everything!**

Don't be afraid to ask questions during your visit. Remember: nothing is obvious to the uninformed! Nor to the person visiting for the first time.

From the house point of view:

- √ Check everything! Try all the doors and windows, lights, switches for other things (fans, etc.), make sure the appliances work. Which ones are staying?
- √ Are the electric receptacles made for 3-prong plugs? They had better be! Otherwise some of your electronics can fry. That means the plugs aren't grounded and the modern electronic equipment can and will burn out. The modern plugs have 3 prongs, or only 2 prongs with the wider left prong—to make sure that you put the plug into the correct slots as the current can only run into the appliance in one direction, and burn out the unit.

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If you don't understand this, here's a very old example: I once put the batteries into an old record player and started it up. It played the records backwards! Why? I'd put the batteries in backwards. You can do that with the newer electronics by putting the plugs in the wrong slots when you try to bypass the safety function of a polarized 2-prong or a 3-prong plug.

- √ Look for cracks in the foundation, the walls, chimney, driveway if it is paved, and anywhere else they may appear. Check the siding for any telltale signs of repairs or damage.
- √ Look for moisture or moisture stains and damage. Look for tears in the carpet, or sheet flooring. Really look in the corners and under base cabinets along the floor for

problems. Open the closets and look at their size, and in the back for evidence of past problems. Sometimes in much older houses, closets won't be upgraded and you can see where the rest of the house was redone, while the closets weren't. Look for cracks in the plaster or lathe—are there holes where air can pass through.

- √ Is the house easy to remodel? Or constrained by its location from additions or changes.
- √ Check any fireplaces or woodstove for good maintenance practices. Is the chimney clean? Open the cleanout door and look! Does the damper work on the fireplace? It should move easily. Is the chimney lined with either terra cotta flueliner or stainless steel? Is it insulated?
- √ Is the house easily evacuated in an emergency? Check the windows and doors for size and openability. Do they work? Can someone climb out safely?
- √ Is the house energy efficient? Check the windows for double-pane glass and ask if it is “Low-E” or another type of efficient system. Make sure the wood in the windows is sound and not rotting—sure signs of condensation, and therefore heating problems in winter.
- √ Are there any health hazards associated with the house: asbestos, radon, lead paint, toxic waste sites or chemical leaks nearby? Check the papers offered for results.
- √ Has the house been tested for radon? What are the results? When was the test taken? Recently? If not, can they do another test for you? Who did the test (DIY or a pro?) and in what room (high up in the house or in the lowest living area)? Have any changes been made to the house since the tests, if so, can the tests be redone? Was the test a long-term or short-term test? Long term is better. Was the test EPA Proficiency approved?
- √ Is the required certificate proving the house is lead-free (if built before 1978) available?

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**Know  
How Much  
Ahead of  
Time**

Don't hesitate to ask the inspector for a reasonable estimate, or their fee structure before you hire the person. If the inspector hesitates to offer the information—find another inspector!

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**Fees**

The more amenities, the bigger the inspection fee. The fee structure depends on the number of bathrooms, number of appliances, as well as any detached buildings.

## Find a qualified home inspector

If the house passes your initial inspection, and you really like it enough to go the next step, find yourself a qualified and highly-recommended home inspector. Check with ASHI (American Society of Home Inspectors also at [www.ashi.org](http://www.ashi.org) or call 800-742-ASHI) for a local inspector. These inspectors must pass stringent tests to qualify as an ASHI inspector. Then hire the best of the selection. Get recommendations from other homebuyers who have used this inspector.

Ask your realtor, lawyer, friends who have recently bought a home, the bank or mortgage lender for advice on local inspectors. Get several names. Usually inspections are done *after* a contract or purchase agreement is signed—but add a qualification to the contract about the inspection results being acceptable to you as this is a personal matter. You set a monetary limit as to what you feel you can handle in repair costs as part of your clause.

Inspections are generally done quickly after agreeing to purchase the house. Usually within one to two weeks. Schedule the inspection appointment so that you can be there when the inspection is done and ask questions during the process. You will learn a multitude of information about the house and its future care, as well as any potential problems and see exactly what needs to be done to fix them.

Inspections cost from \$200 and up, depending on how long it takes to do a full inspection (the bigger the house, the bigger the inspection fee). The inspection should take at least two hours or more depending on the size of the house.

If the inspector has a conflict of interest in the job, they should let you know. Perhaps they have worked for someone else related to the project and can't be objective about the job. The code of ethics requires them to tell you and bow out, before the inspection.

## Avoid costly mistakes

All inspectors will do a *visual* inspection of the property and give you a written report advising you of any potential major problems, repairs, and/or health hazards. All ASHI inspectors are required to follow the ASHI Code of Ethics as well as follow ASHI Standards of Practice. There is a minimum amount of inspection that is to be done, from the roof down to the foundation including heating, cooling (depending on the weather and season), plumbing, electric system, roof, attic, visible insulation, floors, ceilings, doors, windows, the works—anywhere they can get to.

The best inspectors will go beyond the basics and give you advice on how to handle the problems or what the problem means to you, the potential buyer and an idea of the expenses involved in making any repairs.

Having received your inspectors report, what does it say? Are there any major problems to be dealt with if you are to buy the house? Any surprises? With luck, the house is close to perfect for your purposes. Remember, not all houses are really perfect. That ain't gonna happen!

If major repairs are a possibility, call in contractors for an estimate. While the inspector can give you a ballpark figure, sometimes he or she can't really know the whole score.

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One inspector noted that a slate roof was showing signs of serious problems. He was using binoculars as inspectors aren't required to do a jungle act on roofs. He figured the repairs were in the \$2k range, but suggested, as this wasn't his expertise, that the potential buyers get two professional estimates. The pros came, on different days, and both said exactly the same thing: the roof would have to be replaced—for \$30k.

If the house isn't as good as it seemed at first, decide if the necessary repairs or upgrades are worth the price to fix it up. Can the price of the house be lowered to cover the cost of

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### The Caveat

The inspector is responsible for what he or she *can* see, not anything hidden.

As in hidden behind something: walls, boxes, furniture, etc.

They are *not allowed* to do any destructive investigating as in poking holes or pulling apart panels to look for problems.

repairs if you do them? Or will the owner make the repairs first. In a tight housing market, you could well be the one doing the fix ups on top of the cost of the house.

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### Sage Advice

#### Heed It

In the end, this advice could save you a small fortune or give you the home of your dreams with a clear mind that all is well.

If the radon tests were positive, how much is it to have the radon reduced? Is it worth the house to you?

### But you love it anyway

This is negotiating time. Often, necessary repair work expenses will be deducted from the cost of the home, or put into escrow to be paid to the one who does the repairs while the initial house price stays the same. The end result remains, the house is fixed and the bills are paid.

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You want the house, provided the cracked chimney is fixed and the seller agrees to pay for it. The next step is to get estimates for the repair and hire a contractor to do the job. Have the seller put the repair expense money in escrow with their lawyer. When the job is finished, the bill goes directly to the lawyer controlling the escrow account for payment.

You have your house, the repairs are done, the seller is happy—and you are happy. Next step—

### When can you move in?

Get any dates and agreements regarding who occupies the house when *in writing!* You don't want to be caught in the trap between dwellings. Say you give up your rental to move into your house and the sellers are still in the house! Have contingency plans for this situation just in case.

Before you sign any contracts—set absolute dates and find out if there are any other issues preventing the sellers from leaving the house. For example, perhaps they are dependant on another loan to buy another house, and that deal falls through. What effect will that have on you? Will you have to rent another place? Will the seller have to rent a place? Have your lawyer or agent deal with this before it comes up.

## Buying the house

All's well? Now you have to pay for the house. Finish up your arrangements with your mortgage lender. Notify your agent or lawyer and seller (for the FSBO crowd) that you are ready to “close” or finalize the sale on the house.

Before you close, do one more complete walk-through in the house making sure that everything agreed to has remained, that all the appliances are working correctly, all the electric lights and switches work, all windows and doors are in working order and not broken, and the house is as you expected it to be when you signed the initial contract. If it isn't as you expected, if anything is changed—*notify your lawyer and/or agent immediately to stop the closing until everything is back in order.*

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One purchaser did her walk-through to find the dishwasher that worked two months ago, was now non-functional. Before she signed the paperwork to purchase the house, the seller had to replace the appliance.

This is your last chance before you purchase the house to make sure everything is absolutely correct. Once you sign those papers, it is yours. And so are any repairs and maintenance not previously agreed to.

Go to the closing, sign the necessary paperwork—and understand carefully exactly what you are signing. If you don't know, ask your representative (i.e., agent or lawyer) to explain it to you.

The keys will be turned over to you, along with a stack of papers you just scribbled your Jane Hancock onto.

You own it!

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### Just Supposing

So, you bought your house from a poor widow who couldn't manage the place without the dear late Harry.

Wouldn't you just feel horrible having to evict a widow with no place to go?

Think about the possibilities.

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### Old “Saw”

The best day of a new boat owner’s life is the day she buys it—also the day she sells it!

Oops?

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When we bought our house, it was a foreclosure. When we asked about the keys, the banker and agent looked at us as if we were nuts. What keys? You have to break in! As we had already looked inside the house by using a window as an entrance with the real estate agent (it was legal), we didn’t have to break anything to get in. We did change the locks and get our own keys!

### Do-It List

- √ Look at any house carefully
- √ Pick the one best suited to your needs and wishes
- √ Finalize your mortgage payment arrangements
- √ Make a deposit with contingency clauses
- √ Hire the best home inspector
- √ Take that inspectors advice and *act on it!*
- √ Buy that dream!