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## A new selling tactic: the pre-listing inspection

*Owners hope to head off trouble and speed sales by hiring their own inspectors.*

By Frank Nelson  
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JUDY MELLO wasn't looking forward to buying a new place to live, imagining a lengthy, complicated and perhaps stressful experience.

"I figured it was going to drag on for months and months," she says. "But it wasn't like that at all."

In fact, it took Mello, a retired registered nurse, a total of only 3 1/2 weeks to buy a \$500,000 condominium in Carpinteria, a small coastal town a few miles south of Santa Barbara.

Although a number of factors smoothed the process, Mello says an inspection report commissioned in advance by the sellers played a large part in her decision to buy and helped speed the sale.

As housing sales continue to bog down -- last month Southern California sales were the slowest for any July since 1995, according to DataQuick Information Systems -- property owners are turning to new strategies.

One tactic increasingly bringing buyers and sellers closer together is a property inspection obtained by the seller before the home is even listed. A seller's inspection report is not in lieu of one commissioned by the buyer, but it often accomplishes the goal of signaling openness and good faith while at the same time unearthing any unpleasant surprises.

In some cases, a preemptive seller's inspection means repairs, such as leaks or faulty electrical wiring, will likely be completed in advance on the buyer's behalf; less pressing matters may be flagged and the asking price adjusted down accordingly. "To me, the report meant they were definitely interested in selling and cared about selling to somebody who was going to be satisfied," Mello says. "I felt comfortable that they were thinking of my interests."

Colleen Badagliacco, president of the California Assn. of Realtors, says not so long ago, when sellers were being bombarded with multiple offers, they didn't have to worry that much about the shape of the home.

"Now, the seller has to go the extra mile," she says. For some, the downside means making sure the house is priced right, taking disclosure to the next level -- the more they know, the more they legally have to disclose -- and offering to fix things.

But on the upside, a pre-listing inspection that gives buyers a better idea of where they stand and what, if any, additional work is needed, can also help sellers fend off demands for unrealistic price reductions to cover repairs.

According to Dan Steward, president of Pillar to Post, a nationwide home inspection company, buyers typically expect a \$2 to \$3 price discount for every \$1 worth of defects turned up by their inspector.

With their own report, sellers can choose, for example, to spend a few hundred dollars fixing a plumbing problem that might otherwise mushroom into a claim for more than \$1,000 off the price and, in the process, spark further potentially prickly negotiations.

"It definitely makes sense," says Chuck Miller, a 16-year veteran of the real estate business and now associate manager and sales agent with Coldwell Banker in Studio City.

In his own and other real estate companies, he's seen a marked uptick in the number of pre-listing inspections, perhaps a rise of 10% to 15% in the last year, and believes the ploy is helping sales move faster and more smoothly.

"Most people want to turn the key and walk in," he says. "They don't want repairs, and they certainly don't want surprises. If they know they have to do some work, they can at least prepare for that."

The National Assn. of Certified Home Inspectors, based in Boulder, Colo., also has noted a rise in the number of inspections carried out for sellers, though founder Nick Gromicko says they do not have national statistics.

However, on a local level, Gromicko does have some figures: "Our Denver chapter went from doing less than 2% of their inspections for sellers last year to doing 28% for sellers in 2007."

When Jack Lucarelli and his wife, Jeannie Wilson, decided to put their Toluca Lake home on the market for \$3.75 million, they followed agent Miller's suggestion and first had an inspection.

The way it turned out, they need hardly have bothered. As Bob Wood, senior inspector with Sunland-based LaRocca Inspection Associates, combed through their 3,700-square-foot, two-story home, he was hard-pressed to find anything wrong.

A little dry rot in one post in the backyard, two faulty sink stoppers, a loose faucet and a cracked tile in the driveway. "It cost us about \$18 for repairs," Lucarelli says, adding that the clean bill of health did not surprise him.

He says that he and his wife -- both of whom work in the entertainment industry -- have done a lot to the 1936 Spanish Mediterranean-style home and always kept the place in top shape. "But we thought the inspection and termite inspection were important to alleviate any fears or anxieties about any internal, hidden problems," he says. "It's an added convenience to the purchaser."

Chris Wrightsman, co-owner of LaRocca Inspection, sees these types of inspections becoming more prevalent and estimates that the number of homeowners choosing this option has risen about 5% in the last year.

He says the practice is much more common in Northern California, especially in the Bay Area, and he expects the trend to continue to grow. "When homeowners know the condition of their property, they can avoid a lot of problems and price accordingly."

Lisa Endza, director of communications for the Boulder-based national home inspectors group, says the cost of inspections ranges from \$300 to \$600, depending on the size and age of the property.

Tom Valinote of Thousand Oaks, who inspected Mello's Carpinteria condo for the sellers, runs Pillar to Post franchise offices in Camarillo and Goleta. Armed with a digital camera, laptop and a 1,600-point checklist, he typically spends two to three hours working through a house for an average cost of \$425.

Inspections give sellers options, he says.

"They can say to the buyer: 'We found these problems. But we wanted to make sure we sold the house in the best condition possible. So, we fixed things, here are the receipts and now you don't need to deal with this.' "

That approach certainly appealed to Robert and Judy Parkinson. Longtime Los Angeles residents before moving to Oregon two years ago, they are in the process of selling a Montrose house they've owned as a rental for about five years.

Robert Parkinson says it was because they had never lived in the property, which is almost 90 years old, that they opted for the pre-listing inspection. "We wanted to do the due diligence and know the condition of the house before we put it on the market," he says.

"We didn't want to get into escrow and have someone do their own report and have a bunch of surprises. We mostly wanted to know that the price we're asking, \$615,000, is a good, fair, solid price. We wanted to have a real clear idea of the condition of the house and do any work that needed doing. We felt that put us in a stronger position."

The inspection brought to light a number of issues, he says, the main ones being some plumbing, electrical and roof caulking work. They have now fixed most things and feel that having the inspection and spending about \$7,500 on repairs were good moves.

The Parkinsons' agent, Gena Pinkerton, with Richard Keilholtz Realtors in La Cañada Flintridge, says the feedback from potential buyers to the roughly 30-page pre-listing inspection report has been very positive.

People assume because the house is old that it must need a lot of work, she says. "But the report shows that it doesn't. It's a huge relief for people to know that."

Sellers wanting to have their home pre-sale inspected should visit: [www.moveincertified.com](http://www.moveincertified.com)  
Read the entire article at LATimes.com <http://www.latimes.com/classified/realestate/news/la-re-inspect26aug26,0,413106.story?page=1&track=rss>

From [InterNACHI's Lisa Endza and Nick Gromicko quoted by Los Angeles Times.](#) -  
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