

Chapter 13

Using the Home Inspection to Lower the Price

Similar in purpose to a routine physical examination performed by a medical doctor to determine a person's health, the goal of a home inspection is to determine the physical condition of a home. Potential homebuyers should be aware of the physical condition of their investment as well as the need for and cost of repairs, if any, necessary for the home to be livable. As any major repair cost could significantly drive down the actual price of the home, the home inspection could result in a reduction or renegotiation of the purchase price to include the replacement or repair costs of any substandard items.

Even bargain hunters seeking to put their own sweat and equity into a fixer-upper benefit from knowledge of the home's repair needs and whether they could exceed their abilities. As long as you are aware that you are purchasing a home that requires repairs and are paying the proper price needed to fix these repairs after closing, a home in need of repairs could potentially provide a good opportunity for buying at a discount.

A home inspection should inform the potential buyer of the life expectancy of the property's systems, as well as their maintenance needs and functions. Overall, an inspector should be skilled at determining if any problems are lurking beyond the scope of a homebuyer's untrained eyes. Hence, immediately upon oral agreement of purchase terms, arrangements for the home inspector's visit should be scheduled.

The Inspection

A typical home inspection ranges from one to three hours depending on the size and idiosyncrasies of the dwelling. Equipped with sophisticated engineering tools as well as common