

## Pre-Listing Inspections: Is There a Benefit to the Seller?

When I entered Real Estate in 1996 I was taught that Buyers had to "*satisfy themselves*" as far as property inspections. Of course, the Seller needs to disclose "known" material defects ("Buyer beware" does NOT apply *nor* does playing "I've Got a Secret"). While an agent is bound by a *fiduciary duty* to keep their client's personal "business" **confidential** (this is one of six specific "duties") AND an agent is NOT required to search for *latent* (meaning hidden or not obvious) defects, known or obvious material defects are NOT covered by the duty of confidentiality. This is one reason why some agents and their Seller-clients seem to have difficulty discussing *how* to handle property inspection results after a sale has been terminated. The fact is that the Seller's disclosure obligation is one of the major items that a listing agent should discuss with their client up front so that later discussions will be a *reminder* and not new.

Then I heard about property "**pre-listing inspections**", meaning having a Seller have their own property inspected to identify potential issues *before* starting the marketing process. At first glance **I was opposed** primarily due to the often "*subjective*" nature of some property inspection reports and being concerned that having one might open a "can of worms" unnecessarily (you should not hide the results!). I guess I was tainted by some lousy inspectors who seemed inclined to justify their fee by providing Buyers some leverage as far as requesting repairs and/or credits to keep a sale going. I saw some who acted as if they were buying the house instead of working in the Buyer's best interests (for example, NO inspector should say that they would not buy a particular house! Let them report and have the Buyer decide). Bad inspections are NOT a professional way for a property inspector to generate "repeat business" although I do want honesty. Losing a sale over emotions (rather than fact) emanating from an inspection, regardless of the caliber of the inspector, is horrible and it taints the history of a property (assuming that the listing agent properly reported the status!). Some sales need to terminate if the parties cannot resolve their differences.

While most Sellers will not want to inspect their own property, the fact is that *any* house, even "new construction", will have something that might concern a prospective Buyer and I like to be proactive. I would rather have a Seller learn about something, especially if it poses a danger to them, sooner *rather than* later which also gives them some time to address the issue(s). While the results may pose a problem, what could be worse than finding something out while a house is "under contract", especially if it results in terminating a sale?

Two final points. First, in PA we have a home inspection law that was not in place when I started. While there is a range of talent in the property inspection field (as in ANY field), a few that I considered POOR years ago are long gone so I generally trust and respect most of those I see. I suggest that Sellers and Buyers ask their agent for a recommendation rather than shopping for the cheapest or the one most prominently advertised online. **This is a BIG decision.**

Second, **HIRE WISELY** when it comes to selecting a REALTOR. The advice we give is *very* important, specifically as it relates to handling inspection-related issues. For example, I recently had a fellow agent ask me if a Seller had to disclose their inspection report after a sale fell through. I said that I felt they did, not as a lawyer but as a Code-of-Ethics-compliant Real Estate professional (Article 1 is about HONESTY!). However, that same agent told me that they had asked the same question of several others and the results were about 50-50! Hmmm.