

## Home Inspections and Disclosure Benefit Homebuyers.

In historical terms, the typical home sale transaction was all about a buyer purchasing a home from a seller, generally with the assistance of a Realtor, and both parties exchanging an agreed upon sum of money. The practice of “caveat emptor” or “buyer beware” was the basic principal defining the responsibility for assessing the condition of the property. Uncovering potential faults to a structure or the land on which a home is built rested solely on the shoulders of the buyer.

Along came the 1980s and the birth of a new era in the home sale process. Introduced to the scene was the concept of hiring professional home inspectors supported by the 1985 Florida Supreme Court case of Johnson vs. Davis. The milestone legal ruling firmed the requirement for what is referred to as the Seller’s Disclosure, while the inspector trade spawned from the launching of the first home inspection service, Home Equity Loss Protection Services, inspired by the idea of an Illinois Realtor.

As a general rule, preparation of a Seller’s Real Property Disclosure Statement is part of the standard procedure in bringing a home to market. This statement is presented on a standardized form which requires a Seller to disclose any defects or problems that pertain to the property. This document must be presented to a buyer and accordingly signed in conjunction with the sales agreement. It is clear in legal rulings that a Seller is not be capable of providing historical details about a property that are unknown to them.

Typical of the information offered by the Disclosure is statement of facts such as prior roof leaks, HVAC system malfunctions, history of termite activity or environmental issues including sinkholes.

A buyer has the option of relying on the information in the Disclosure as grounds for accepting the property and proceeding with the purchase or hiring qualified inspectors to further examine a property. Purchase agreements today provide for a defined period of time, usually 15 days from contract date, during which a buyer can have inspections performed and notify a seller of any objectionable findings.

In opting for home inspector reviews there are actually a variety of reports that can be ordered by a buyer. The most common inspections include different levels of overall examination of a home, a Wind Mitigation review and a Wood Destroying Organism (WDO) report.

The inspection service of assessing the overall condition of a home will generally take on one of two forms. There is a comprehensive home inspection where an inspector will spend upwards to two or more hours reviewing a home and provide a final report that often runs 20 pages or more. This will include inspection of all operating systems such as electrical and plumbing, non-invasive review of basic structure and confirmation that appliances are in operating condition.

The other scaled-down report is known as a Four Point Inspection. This simpler inspection of a home stems from insurance companies requiring an inspection of a home to provide homeowners insurance. The term reflects a cursory inspection of four components - roof, HVAC , electrical system and plumbing.

Another report generally ordered for homeowners insurance considerations is a Wind Mitigation report. This inspection focuses on the roofing material of a home, the roof construction and the method used to secure a roof to the walls of a structure. The purpose is to determine a home’s ability to withstand pressure from high winds during a storm. Homes found to be constructed in compliance with defined standards receive reduced insurance rates. Different construction factors that mitigate or reduce the potential for wind damage are taken

into consideration when determining insurance premiums. The cost of a Wind Mitigation review can save a homeowner thousands of dollars over a period of years.

Then there is Wood Destroying Organism report that primarily focuses on the threats posed by termites and carpenter ants. At times lenders require such a report in approving a mortgage.

Supplemental inspections available include septic system and swimming pool. These inspections are generally completed by specialists as opposed to a licensed home inspector.

The tandem evolution of Seller Disclosures and home inspections have worked to enhance decision-making in purchasing a home and allow insurance providers to handle premiums more equitably based on individual properties. Together it has been a clear win-win for today's consumer.