

A Home Inspection Is An *Investment*, Not An Expense

By Stephen Ruback, Professional Inspector [TREC License 6030]

Squeezing dimes to blow dollars seems to be a popular game these days. Negotiate the price of a house in \$500 and \$1,000 increments, or more, then turn around and spend hours looking for a \$25 - \$100 cheaper inspection. If you are looking for a cheap drive-by inspection to meet some paper work requirement, or just to make someone else happy, don't even bother. That way you can save the whole amount.

When you spend a hundred thousand dollars, likely much more, for a house, wouldn't it be sensible to verify the condition of your purchase? Will you pony up a percent or two for special financing considerations without much thought or calculation, but choke at less than 1/3 of 1 percent to insure you are buying what you think you are buying? People do it all the time.

What's in a good inspection?

A fresh, unbiased perspective – just the facts without emotional attachment.

An experienced eye for red flags and signs of present challenges and/or trouble to come – by a seasoned professional intimately familiar with all of the systems in a house.

A good communicator – the ability to help you understand what the conditions are and their potential impact on your finances.

A forensics practitioner – putting the details together for a more holistic overall picture, otherwise known as a “systems” approach.

Additional insight for protecting your investment – providing information about important findings along with reasons why they are important and how they can affect your future.

Alerts to present and potential safety hazards – this can be lifesaving information you otherwise might have missed until it was too late.

An inspector is your point person, looking for potential problems. For those with significant financial implications you will need to consult with specific specialists to secure real number costs and more detailed analysis of conditions. For example, the inspector may observe the AC system is not working properly, then you will need to consult with a licensed AC person to determine the precise problems and costs of repair/replacement. Keep in mind most systems have a finite design life. Systems do wear out. With a bit of

neglect, this can happen sooner rather than later. In a thorough inspection, you will also learn a few things to help you prolong the life of your investment.

Expense or Investment?

So, how does this make a thorough inspection an investment? Any item that has virtually no chance of improving your bottom line is an expense. Anything that has a real chance of positive return is an investment. The vast majority of inspections reveal one or more ugly surprises that, undiscovered, would have cost the buyer many times the inspection cost. It's that simple.

The AC blows cool, but is at the end of its life, and needs work, oh oh.

The heater does not work and the repairman says it is dead and beyond recovery, do you have an extra two or three grand lying around?

The roof covering happens to be three layers deep with wood shingles at the bottom and the insurance company says they won't cover the roof, oops.

The plumbing is badly corroded in several areas and about to demonstrate a new concept in water damage, then the insurance company says “normal wear and tear” or “lack of maintenance”, sorry.

Inadequate attic ventilation and insulation can cost you hundreds of dollars a year in excess utilities, oh well.

Unsafe/improper/inadequate wiring can cost thousands to repair – at best, easy come easy go.

The bomb in your house, disguised as a water heater could actually go off, tsk tsk.

The kitchen vent hood does not vent cooking fumes outside, just blows them back in your face, surprise.

The furnace/water heater flue vents happen to be set up to generate generous amounts of carbon monoxide whenever they are operated, do you enjoy headaches, nausea and near death experiences?

Most of these conditions have the potential for serious, expensive auxiliary damage if left to their own devices long enough.

A good inspection can only be described as an expense when the house has no ugly surprises. I saw one once. The rest of the time it is an investment that pays serious dividends. Sometimes it will be one or more big ticket items, other times it may be a host of little items that add up to significant money, most of the time it will be a combination.

Getting best value

A thorough inspection takes time, at least an hour per 1,000 square feet. The report should be clear, simple and to the point. Always plan to be present for the inspection. A written report is a poor substitute for a detailed hands-on explanation in real time. A modern house is an expensive combination of complex systems utilizing a wide variety of technologies – never hesitate to ask questions if you don't understand something, especially “why”.

A good inspector is also a good teacher, willing to take the time to explain the hows and whys behind the observations. This may take a little more time, but pays dividends in your ability to protect your investment.

A savvy seller will arrange for an inspection *before* listing the house. That leads to avoiding more ugly surprises that blow deals. One blown deal costs more than several inspections in time and money lost – then the seller still gets to pay for the needed repairs.

When selecting an inspector, the thoroughness and quality of work far outweigh the price. Too low a price may well mean a higher cost – after you move in. You never really get more than what you pay for – sometimes less, but never more.

By the way, new homes need a thorough inspection too.

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