

## Property Inspection Guidelines For Buyers and Sellers

### What is a Property Inspection?

A property inspection is a professional, objective, visual evaluation of the current condition of the property and its major systems, and does not include cosmetic improvements. It is important to understand that a property inspection is not necessarily a guarantee of any kind, nor a municipal code of inspection. Property inspection reports may also indicate areas of preventative maintenance for the buyer's information. These maintenance items are not typically a reason to renegotiate contract terms.

### Types of Property Inspections

- Structural
- Hazardous conditions
- Mechanical
- Pest infestation and/or damage
- Electrical
- Environmental—lead, radon

### The Inspector's Role

The inspector's role is to inspect the condition of the property and the home's major system. The inspector checks that systems are installed properly, functioning as intended, and operating in a safe manner.

The inspector may advise the buyer of the potential life of certain major systems in the home, and may make recommendations so that the buyer may budget for maintenance or replacement.

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The inspector should not be expected to give an opinion regarding the market value of the home.

### Liability Limitations

The home inspection is normally conducted for the buyer and is the property of the person paying for the inspection. It is a report of the condition of the home on the day of the inspection, and is not meant to be a warranty or guarantee of the systems of the home. The inspection is the educated and experienced opinion of the inspector of the visible and readily accessible portions of the house or systems inspected. Limits of the inspection are detailed in the inspection contract or disclaimer.

*Please note: These Guidelines are purely informational in nature. The REALTOR® Association of the Sioux Empire does not make any representations as to the accuracy or completeness of the Guidelines. You are urged to consult with an advisor of your choosing concerning property inspections and any questions you may have about property inspections. The decision to use or forego a property inspection is left entirely to the parties to the sales transaction.*

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## Property Inspection Guidelines For Buyers and Sellers

### Seller's Responsibility

#### ***Seller's Property Condition Disclosure***

The seller must furnish a signed, detailed disclosure statement regarding the condition of the property in accordance with laws established by the state of South Dakota.

#### ***Utilities***

In order for an inspection to be done, sellers are to have the utilities (i.e., gas, electricity, water) on at least 24 hours before the house and systems are inspected.

#### ***Accessibility***

Access to interior foundation walls, furnace, hot water heater, electrical panel, attic, crawl space, and garage walls all need to be made ready to allow for a thorough inspection.

#### ***Seller's Prelisting Inspection***

It is recommended that the seller have a home inspected prior to putting the home on the market. This will help identify typical deficiencies which could appear on a buyer's inspection report. Correction of these problems may increase the home's appeal and stability, and could help identify unknown problems. Payment of this inspection is the responsibility of the seller, and should be paid at the time of inspection completion.

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### Buyer's Responsibility

#### ***When to Inspect?***

Buyer inspections should be done as soon as possible, but no later than the date stipulated in the contract. Limits of the inspection are detailed in the inspection contract or disclaimer.

#### ***Who Chooses the Inspector?***

It is the buyer's responsibility to choose and coordinate with the selling agent for inspection appointments, however, your REALTOR® will be able to assist you with this process.

#### ***Who Should Attend the Inspection?***

It is important, but not mandatory, that the buyers attend the inspection. The REALTOR® (s) may also be present. The seller may be present. Length of time varies with the type of inspection.

#### ***Cost and Payment of Buyer Inspections***

The price of inspections varies according to the type of inspection and size of property. Payment is the responsibility of the buyer and should generally be made not later than completion of the inspection.

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### Homebuyer's Checklist

#### ***Inspection Reports***

The buyer can expect to receive a copy of the inspection report within 48 hours of the inspection, or as arranged with the inspecting company. With the permission of the buyer, duplicate copies may be furnished to the seller in the interest of facilitating the transaction.

#### ***Seller's Disclosure***

It is the responsibility of the buyer to read and sign a seller's disclosure statement regarding the property within the time limit set by the contract. When an inspector reports the condition of item(s) previously disclosed on the Property Condition Disclosure Statement, the cost to correct the condition of an item(s) is generally not subject to negotiation since the buyer had knowledge of the condition of the item prior to acceptance of the purchase agreement.

#### ***Qualification of Inspectors***

The buyer is responsible for determining the qualifications and experience of inspectors. Areas that should be checked are educational background, licenses and/or other credentials, references, and professional societies or organizations. Such as the American Society of Home Inspectors (ASHI) and the Society of Professional Property Inspectors (SPPI).

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