



**The only thing standing between a smart decision and a money pit is your home inspector - so why do you think you need the cheapest**

# **guy you can find?**

**After all, the home inspector is the least paid of any party involved in your transaction - AND BY A LOT! And, the inspector is the only party generally subject to a claim for negligence. It is the home inspector who is tasked with advising you of expensive defects or repairs needed so you don't make a poor decision; the realtor or the mortgage broker won't do that for you. The Appraiser may catch things but if they don't, you can't sue them for missing it, yet, generally, the Appraiser earns more than the inspector.**

**In fact, the only party who earns less than the home inspector is the pest operator who inspects for Wood Destroying Organisms/termites and like the home inspector, they are subject to being sued for damages should they not document damage/evidence or infestation, and sometimes even if they were not negligent.**

Both your realtor and mortgage broker provide valuable services and in return they are commensurately paid and should they fail to secure the property/loan, they do not typically receive a fee. That is the risk they take for 6% and 2.5% of the purchase price.

Regardless of whether your purchase is successful, you will pay the appraiser and the inspectors. The appraisal is required as a condition of loan approval and you have no choice. Home inspections are voluntary and are conducted as part of your due diligence protection in making an offer to purchase. Inspections are recommended by all lenders and realtors because it is a valuable service which may protect you against a large financial mistake. No other party will offer, nor are they required to offer, any reassurance that the home you are purchasing is not defective. This is what you do as a responsible buyer to protect your investment and to guard against significant repair costs in the near future.

If you purchase a money pit, the realtor and the mortgage broker still collect their

commission. The lender still requires the monthly payment. You have no recourse against them.

Assuming a \$300,000 home purchase:

<b>PROFESSIONAL</b>	<b>EARNS</b>	<b>LIABILITY</b>
Realtor	\$18,000	Minimal
Mortgage Broker	\$7,500	None
Appraiser	\$450 to \$550	None
Home Inspector	\$350 to \$450	High
Termite Inspector	\$125 to \$200	High

It is worth noting, after purchasing your new home, should you discover an identical home one street over selling for \$10,000 less, you do not have a claim against the realtor or the appraiser. If you find out you could have gotten a lower interest rate, you don't have a claim against the mortgage broker or lender. In fact, should you find out the mortgage broker earned "bonus" money by inflating your interest rate 1/4%, too bad.

Should your home inspector uncover hidden defects which could cost you thousands, he gets the same fee. Should your termite inspector uncover hidden termites, he gets the same fee. There is no "bonus" money for the trades who do their best to protect you from buying a money pit.

Between the termite and home inspector, their fees don't add up to a single mortgage payment. Consider the realtor who earns 6% of the purchase price against the home inspector who earns about .0015% or 6 cents on the dollar vs. the home inspector who would have to inspect the home seven times to earn 1 cent on the dollar. Consider the two lowest paid parties to the transaction have the HIGHEST liability. Consider the two lowest paid parties pay the highest amount in professional insurance.

Consider, this is your only chance to hire the best and most qualified home inspector you can and even if you pay \$100 more over the barely qualified inspector, the most expensive inspector is still dirt cheap. Why on earth would you quibble over a few bucks or even consider looking for the cheapest home inspector you can find? Their fees are not even

close to what you are paying others who have no liability should your purchase become the biggest financial mistake of your life.

Here are some key indicators of a good home inspector:

- In business over ten years
- Is a Certified Master Inspector (InterNachi) or Certified Inspector (ASHI)
- Hold multiple licenses such as General Contractor/Home Inspector/Mold Assessor
- Has additional certifications in EIFS/Stucco, Pools, Roofs, etc.
- Provides Errors & Omissions insurance of at least \$1 million
- Does not subcontract the inspection to private inspectors
- Provides uniformed inspectors in company vehicles - no subcontractors!
- Has a staffed office of support personnel to assist you

There are thousands of barely qualified home inspectors in Florida. If you are "price shopping", you are almost guaranteed to hire one of them. Choose wisely.

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