

Don't Buy a Dud! The Importance of a Home Inspection

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SPEAKERS

Introduction, Ken, Wil, Terri



Terri 00:00

Welcome to the Making Money Personal Podcast. In today's episode Wil and Terri will be talking with Ken Hynes from All Views Home Inspection to address your questions about the benefits and necessity of a home inspection in the home buying process.



Introduction 00:22

You're listening to Triangle's Making Money Personal Podcast where we engage in real talk about financial matters that affect our community. Today's episode is sponsored by Triangle Credit Union recently voted Best Credit Union in New Hampshire. Triangle Credit Union, A Better Way to Bank. Thanks for joining us, everyone. This is the third episode in our Mortgage Madness series. Our other shows include How to Secure Financing for Your New Home Purchase, Steps to Finding Your Dream House, What to Expect in the Closing Process. In our studio, today, we have a special guest, Ken Hynes from All Views Home Inspection. Ken has 17 years of a experience in the home inspection enterprise and will be sharing some excellent information with us today. With that, welcome Ken Hynes.



Ken 01:07

Thank you, Terri, for having me here. I appreciate the opportunity to come out and speak to the customers the first time buyers maybe.

T

Terri 01:14

Right, right. So, Ken, home buying is a pretty substantial over-, it can be a very overwhelming process, right? Especially if you're looking for a house that you don't have any history on. So what do you bring to the table in terms of value for the homeowner?

K

Ken 01:37

Well, as we all know, Terri, a home inspector is one of the biggest purchases, you know, some will ever make. But it's also an inexpensive way to discover the overall conditions of a home. I always recommend to, you know, potential people that you know, when you go to hire a home inspection, interview, the home inspector, you know, ask them recertified, ask them if he's if he's licensed, how long he's been doing it, and maybe what type of report that he's going to provide for you. Those are all kind of important.

T

Terri 02:10

Absolutely. So to to enter that can what would your recommendation be in terms of someone? How much experience should they have as a home inspector, for a home buyer or potential home buyer to feel comfortable?

K

Ken 02:26

I would probably say that they should be in the range of practicing within the home inspection industry at least five to 10 years. Also that they should have some form of background in building trades. Those would be some of the key points, some of the questions I would, you know, potentially ask a customer.

K

Ken 02:45

Okay. And do you have to be as a home inspector, do you have to be licensed with the state of New Hampshire.

K

Ken 02:50

You do. Only about seven to maybe between seven and 10 years ago, don't quote me exactly, the same New Hampshire required us become licensed. There are a few home

inspectors that have been doing about for 15 to 20 year mark and the state allowed them to be grandfathered in. But yes, you do have to be certified, you have to carry two types of insurance. General Liability and Errors and Omissions Insurance, just in case you potentially did miss something that could be significant.

K

Ken 03:23

Okay. Alright. Good. Alright, why don't you kind of walk us through what you would be looking for and what you again, what value are you going to be bringing to the new potential homebuyer?

K

Ken 03:35

Sure. Well, the first thing I tell my customers when I meet them in the driveway on the property for the first time, I say to them, How many times have you and maybe your significant other been at the property? And they might say, We were here twice? And I'll say Is there anything you want to show you concerned about? And I'll write that down. And then the next thing I say to them is Okay, before I get started, I said the four major things that I'm going to be looking for during the home inspection is to see if house has the structural stability. If the house has a good roof on it, if the house has a heating system, that's not that old has been maintained. And if the electrical is safe, I tell people Pipes leak. Sometimes we look at new homes, we find leaky pipes. I said those will be the four function- things you really want to be functioning properly. And so what we do is we call the home inspection a "fact finding mission". And we start the exterior the home, and I'll go around and I'll do the inspection process in the exterior, I'm going to be taking a lot of digital pictures and a lot of notes. Once I complete the exterior part of the inspection that I go over, and I get my customer and I bring the customer around and I show them everything I might have found then she can ask me all kinds of questions, and I'll do the best of my ability to answer them for you. Now, once the exterior part of the inspections done, I let them go off at the realtor and absorb that information, and I ask them to let us go solo inside for a while, sometimes they will say Well, why do you want to go solo, I said, Because the checklist that we are carrying- the tablet that we're carrying to coincide with that software. So we've got to make a checklist on everything about the interior of the home. But once the interior part of the inspection is done, then I tell my customer, We are going to start the inspection in the kitchen, we're going to go to the kitchen, the bathrooms, the general rooms, into the attic and finish off in the basement. And again, during the whole process, I said You're going to be asking me questions, I'm going to be showing you things and then within 24 hours we'll send them- we'll get their email from them and we'll send them a digital color report. And each of the pictures where there maybe something wrong, we'll use a red arrow or red circle to point to or circle what's

wrong in the pictures and what our recommendations are to correct what's wrong in the picture. And then we tell them once they get the report, if they have any additional questions to call us, and we'll be glad to pull it up and answer their additional questions, also.

W Wil 06:03

Now can these are actually pictures that you're taking with your camera and you're uploading this to this report that you'd be sending them?

K Ken 06:09

Yes, a lot of times, we'll use our tablets or our cannon shots, the power shots, have, you know, close in zones and we'll zoom in on the picture. And then when we get back home, we drop it into a PDF file. And then we go through, we may not use all the pictures. But I also tell my customers that Expect about depending on the condition of your home expect about a 40 to 45 page report. And also, depending on the home, you could have anywhere from 50 to 100 photographs in your report. So it's going to be a very detailed report. The average time of a home inspection, depending again on the condition the home, could run around three hours. And we recommend that the customer always attend the inspection. When some customers say Well I'm kind of busy, do I have to be there? I say, Well, what happens sometimes is once we send you a report because it's such a lengthy report, it can be overwhelming to you. But if you saw some damage to the house with the inspector, then you say Oh, yeah, I remember him showing me that. So we really strongly recommended they attend.

W Wil 07:22

So when you say the customer, is it the buyer of the home?

K Ken 07:26

Yes. The buyer, correct.

T Terri 07:28

Are the sellers typically home as well?



Ken 07:32

Not typically, technically, they're supposed to give you professional courtesy, and you give them a time frame of roughly how long the inspection is going to come, you know, be courteous, of their time management also. Sometimes you do get the potential sellers that want to stay there. And I think they might think, Well, he won't be as thorough from sitting around or kind of walking around with him. I just go along, myself, I do my own thing. I stay focused on my checklist and taking my pictures. And you know, I'll be courteous to the, you know, to the homeowner. And then I also try to ask them some questions, because the one thing I noticed is that they love to talk about their houses. So sometimes they don't realize I'm getting some information out of them.



Terri 08:18

Now is that information that you can use in your report?



Ken 08:22

Yep, technically. Some of the basic questions. Sometimes you might look at a roof and it looks like it's a pretty good shape. And you say Gee, I'm not sure how old it might be. Because it is in good shape. And I'll say to the homeowner, you know, roughly how old the roof is on your home? They'll come right out and give you the exact date, I had it done several years ago. So you know, that's good. And then sometimes, you know, if you're following us around the basement, you know, we'll do the math of the house will say, okay, it's a 60 year old house, this heating system is probably the second heating system, the first one probably went 40 years. And the other one that was got 20 on it. And so it's reached three quarters, life expectancy. And we'll actually ask them to validate that. And so we asked them questions like that. And sometimes they'll say, I'm not sure. But we try to ask, we try to get as much information for our customers as we possibly can. So that's kind of the process.



Terri 09:17

Well, it sounds like it's a very intense process.



Wil 09:21

I didn't realize it took- I mean, I'm not surprised that it takes three hours.

K

Ken 09:24

Yeah. You know, it's, it's funny, sometimes you'll get a call to do an inspection on a larger house, like, say, a four or 5000 square foot house. It's maybe in like an executive level neighborhood, a higher end home. And the people who live there maybe had the money to maintain it very well. And so all you're doing is doing more steps, they still all basically have the same, you know, mechanicals, and electricals and plumbing. But you might have an extra bathroom, which you could walk into all you have more square footage to walk around, but technically, your mechanicals and your electricals relatively about the same. So in those houses sometimes take you less time to do because they're in really well kept condition. We have, we have some bullets in our report. And we explain that to the customer what that means. And they'll see it when we send it to them in the email about what the definitions are that we use. Like if an item is in good working order, we check off AS which means means Appear Serviceable. And if we see something that's in need of repair that we put up, we put an R for Repair. If we see something as a safety issue, or I'm concerned about my own safety, then we put the initials SA, some of the other initials we use NI Not Inspected because we just couldn't get access to it. And maybe NP, Not Present, for instance, maybe the home doesn't have a garbage disposal. So that kind of helps them you know, understand the report also.

T

Terri 11:00

So the purpose of the home inspection Ken, is to make potential potential home buyer aware of the issues, right?

K

Ken 11:09

Correct.

T

Terri 11:10

Is that a negotiating- Do they use it as part of a negotiation factor?

K

Ken 11:14

They do. Sometimes we will hear from the realtors that no matter what you find during the home inspection, that the potential seller said they are not going to repair anything. But a lot of times, you'll find something during a home inspection. And in all fairness, the person who lives in the home was not even aware that they had that problem. So when that's the case, then that's when the relators will come in and do what they're good at, and sit down and negotiate with the seller and the buyer and see if they can come to

some kind of compromise on correcting some of the issues that might come up.

T Terri 11:56
Okay. So are you paid by the home buyer then, the potential buyer?

K Ken 12:02
Correct, we are paid by the potential buyer. We usually get paid the day of the inspection. We give them several options to pay by they can, you know, use cash check or credit cards. You know, we find that with some millennials, the younger buyers, you know a lot of they don't carry cash anymore. So they like to use the PayPal and the you know, the digital, which is something we've had to integrate into our system.

W Wil 12:35
Do you accept Venmo yet?

K Ken 12:37
I think we're almost getting there, to be honest with you. Yes, I've had a couple of customers say, We'll Venmo you. But yea, that's the next step.

W Wil 12:49
Good stuff.

T Terri 12:50
So you will be in a predicament then or potentially a new home buyer would be in a predicament where they've got all this great information. Still not a negotiating issue, you know, it's off the table. They're not going to do anything about it. My I guess my question we do live in the Granite State. Do you see homes in our area in New Hampshire, that are very, like common problems because of maybe that we are the Granite State?

K Ken 13:21
Well, that's a good question. The other one of the other services we offer during the home inspection process we'll ask the customer, if we suspect it's out maybe in a rural area that

maybe that we should maybe test for radon. And that is known, you know, granite, rock and uranium. Sometimes it comes from the crushed stone in the ground, and it seeps up through the cracks in basement foundations and floors. And if we suspect we see cracks and the foundations in the basement floors, then we sometimes will recommend for them to do radon test and also sometimes specific loans, like VA loans, sometimes they require them to have a quality water test, quality radon air test, and septic inspection. We usually tell a customer if they're looking at a house in a rural area of New Hampshire. That, you know, they have to maybe figured that they're going to spend anywhere between maybe \$1,000 to \$1200 to do a complete home inspection with comprehensive water quality test, a radon air test and septic adding up all those itemized other services on top the home inspection they may need to get their loan. It could run somewhere around \$1,000- \$1,200 to have all that completed. But yeah, that's some of the things we run into. Because in New Hampshire, you know, sometimes you want to test for the water quality. If you're on a well, the air quality. Yes, those are some of the other things that could come up being in the state of New Hampshire.

T Terri 15:04
Okay.

W Wil 15:05
Now Ken, because you work for the buyer, in most cases, in your report, do you give a personal opinion as whether or not they should purchase that home?

K Ken 15:16
No. They'll sometimes say to me, What do you think, should I buy this home? And I will say, Well, this is where you need to talk to your realtor. I said, because I could say for instance example, I could go up into the attic during home inspection and find an electrical hazard. And I know it's dangerous, I'm going to put it in the pic in the report with my pictures of my notes. But I tell the customer, you need to sit down, talk to your realtor, I says and let them negotiate. I said maybe if the homeowner was not aware of it, they will want to take care of it right away cuz it's a safety issue. And they will take care of it. The other thing is we tell people that besides being a safety issue, that actually it could cause a fire or cause death. So sometimes things like that should be negotiated with, you know, with the real estate agent.

W Wil 16:16

Right, right. Okay.

T

Terri 16:18

Ken, have you ever been in a situation where someone wants to sell their house and they want to bring you in?

K

Ken 16:25

Yes, that's called a pre inspection. And we we're starting to do more and more of that lately, I think because the baby boomers are retiring. And at first, it was a hard sell, their real estate agent has to talk them into it sometimes because sometimes the baby boomers, the older senior citizens have been in the house for 40-45 years and say, I'm not going to pay for that. Let the inspector find it. Well, a lot of the home inspectors have the modern technology today and the knowledge, they're going to find it and all that's going to end up causing is slowing up the whole process of everything. Because now the home inspector find something, now real estate agent has to tell them, you know, The boilers are in really bad shape, you have to get this corrected, you know, it's burning, you know, toxic fuels into the basement back venting toxic fumes into the basement. It slows up the whole process. The other thing too is they don't realize that if they spent the \$400 or so for the home inspection, and they had a relationship with the heating contractor over the years, they could call them up and say Hey, Joe, I want to have the boiler tuned up in you know, have a, you know, brought up to compliance because I'm going to put the house on the market verse, If you wait for the potential buyer's inspector to find it. What happens a lot of times is they'll say, Well, we want our heating contractor to fix it and something that could maybe cost you \$400, all of a sudden it's going to cost you 1000. So it's brilliant. You know, we that's the selling feature where you have to try to convince the potential seller that it's important its actually less expensive for them to pay to have a pre inspection done in this way. And no matter what items we find during the pre inspection, we sometimes we'll highlight it will put a star next to it, like if we found 10 or 12 things, we don't say that they should do all of them but because we've been doing this a long time we we pick out the ones we think they really should do it that we know they'll probably going to come up in another home inspectors report.

T

Terri 18:32

Right, okay. Yep. That's excellent value that you're bringing to the table on that.

W

Wil 18:37

So what are some things that all parties involved, the realtors, the sellers and the buyers, what can they do? And I think you might have touched on this already, what can they do to make your job easier?

K

Ken 18:49

To make my job easier... okay.

T

Terri 18:51

No one ever asked Ken that question.

K

Ken 18:53

Yea, nobody ever asked me that question. But I'll be honest with you, that's a very good question, what I tried to implement and try to, a lot of times, we'll get a referral from a real estate agent. And so we don't want to rock the boat, either. We want to keep everybody happy. But what I've come to find out all my years of experience is that if you and maybe your significant other or looking at a home, and you schedule a home inspection, the only people that you really be at that home inspection is you and your significant other the home inspector and the two real estate agents involved. But what happens is, a lot of times, especially with first time buyers, they're young, they're excited, they tell their parents about it. And during the home inspection, you have two sets of parents and the uncle that maybe thinks he knows everything. And you have a lot of people now, that's when I really zone out to a point that I stay focused and I say, Okay, a lot of people come, they're going to ask me, I'll say to them, I'm going to go solo right now, I said, I want you to ask me questions, but let me finish my exterior checklist, then you can ask me all the questions you want. And then when that's completed, and you feel comfortable with the answers I've given you, I'll proceed inside. And when I'm done with that we'll resume I'll come get you and you can ask your questions. Now, sometimes they don't listen, they follow you around and they're asking you questions. And I just say I'll answer that when I've completed my inspection list. Because I'm working for you, I'm working for the buyer. I don't want to miss anything. They don't want me to miss anything. But sometimes, too, when people bring along a lot of people, and then what happens is sometimes I noticed that you want to specifically show the husband or the wife something. And then you've realized that you lost the wife. She's up on the second floor bedroom showing her mother and they're picking out curtains. And then when they get the report, they say I don't remember you showing me that, well that's because you kept leaving.

W Wil 20:46
It sounds like you've been doing this awhile and this has happened before.

K Ken 20:50
Yeah. And sometimes the real estate agents, you'll see them roll their eyes, they'll go, We'll diffuse the rest of the family, we'll show them the yard while you're with your customers. And they have an act of getting the parents sometimes out of the way. You know, just so you can, you know, you want your customer to understand what you're talking about. You don't want them to, you know, miss anything that can be really significant and important with their decision making.

T Terri 21:15
Right. Yeah, no, that's excellent point. That was a good question, Wil.

W Wil 21:19
Thank you.

K Ken 21:21
Very good question.

T Terri 21:22
Okay. Well, I think that that really kind of wraps us up. In terms of the questions that we did have, and Ken you have done a fantastic job sharing the information, we really appreciate it. I do want to put a plug in for Ken. He is a constant contributor for our home buying seminars that we have inside our branches. And we appreciate you showing up every time for those as well.

K Ken 21:46
I appreciate that, I enjoy doing the seminar especially for the first time young buyers. We all remember when we were there.

K Ken 21:53

Where can people find you if they have any questions or if they want to get ahold of you to get your services done for their homes?



Ken 21:58

Yeah, well, first off, they can start on our website, it's www.AllViewsHomeInspection.com. All one word. And you can find us on Facebook, and in Google, and those some of the other areas you can find, or you can call us at our office at 603-493-7535.



Wil 22:20

Great. That's awesome.



Ken 22:22

Thank you.



Terri 22:23

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Wil 22:47

See you later guys.