

Bankrate: Decoding a Home Inspection

By Jennifer Bradley Franklin Nov. 16, 2020 | 3 min read



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When you're spending a large chunk of money on a home, it's wise to make sure you know exactly what you're getting. That's why a home inspection plays a lead role in the real estate transaction.

If you're in the process of buying a home, here's what you can expect to find on the home inspection report, and what to watch for.

What's in a home inspection report?

Once you've found a home you like and presented an offer the seller has agreed to, a certified, licensed home inspector will take a look at the property, and generate a home inspection report about its condition and any issues that could affect its safety or value.

"Your inspection report is going to be quite thorough, covering a wide range of systems and components in the home," explains Nick Gromicko, founder of the International Association of Certified Home Inspectors (InterNACHI), based in Boulder, Colorado.

If the home inspector uncovers issues, those'll be explained in the report, likely with photos of the problem, Gromicko says.

Here's what parts of the home, at minimum, you can expect to be evaluated by a home inspector, according to InterNACHI. These will be included in the typical home inspection report:

- **Exterior**, including the siding or other covering material; eaves and soffits; doors and windows; driveways, stairs or steps and walkways; deck or porch; and drainage, grading and retaining walls

- **Roof**, including the material it's made of, chimneys, gutters and skylights
- **Basement**, foundation and structure
- **Attic and any crawlspaces**, including insulation and ventilation
- **Ventilation** in bathrooms, kitchen and laundry room
- **Electrical, HVAC and plumbing systems**
- **Interior**, including doors, windows, landings and stairs
- **Fireplaces**
- **Garage doors**

A home inspector may assess other areas beyond this list, so you might also see mention of the appliances in the kitchen, for instance. All of these details serve to inform you, the buyer, and can help you determine whether you'd like to proceed with the purchase, especially if major issues crop up.

Home inspection report sample

To get an idea of what a home inspection report might look like, see InterNACHI's home inspection report samples.

What to watch for

One of the primary concerns to look for in the home inspection report is water intrusion, such as in the basement or any plumbing or roof leaks, Gromicko says.

"Water is not just an issue of things getting wet; water causes mold, and that is a health issue," Gromicko notes.

Consider also whether the area you're buying a home in is prone to natural disaster or intense storms, and what the resulting damage has been or may be in the future.

"Inspectors need to be on the lookout for evidence of previous flooding and roof leaks or an indication that a flood or leak is likely to happen," explains **Bonnie Heatzig**, a real estate agent with BEX Realty in Boca Raton, Florida. "Look for stains on the ceiling or floor. [Likewise] in states susceptible to earthquakes, check for cracks in the foundation, walls and ceilings."

Aside from these major concerns, there are some areas that may not be covered in a standard inspection that you'll want to be aware of. These can include issues with pests, airborne hazards or low-wattage electrical systems, like a security system.

It may make sense to hire an inspector who will evaluate these areas, but it can cost you an additional fee. The standard home inspection generally costs around \$400 without these extras.

How to negotiate repairs

Once you receive the home inspection report, go over it in detail with your real estate agent. Don't be afraid to ask the inspector about anything that needs clarification. If major problems reveal themselves, you can negotiate with the seller to make repairs before closing, even if you're in a seller's market and

don't necessarily have the upper hand. Your real estate agent can help you with negotiations and advise you on the best strategy.

"If you uncover issues that concern you during the inspection, there are easy ways to resolve most issues," **Heatzig** says, such as "negotiating a seller concession to the buyer, holding a portion of the proceeds in an escrow account to be used post-closing to rectify any problems and, if necessary, delaying the closing until the issues are resolved."

Bottom line

A home may seem flawless on the surface, so it's important to give the home inspection report its due and really understand all of the information in it. Knowing what you're buying, and negotiating repairs if possible, can help you avoid costly surprises later on, and give you realistic expectations.

It's worth doing, too. According to Gromicko, "our inspectors have at times found so many defects in a house that the repairs would cost more than the sale price of the entire home."

"You don't want to purchase a 'lemon,'" adds **Heatzig**. "Nothing would be more devastating than spending a lot of your savings and committing to a mortgage only to encounter issue after issue once the keys are in your hands."