

BUYER GUIDE FOR HOME INSPECTION & APPRAISAL

Believe it or not, a home inspection and an appraisal are completely different. Yes, they both assess the property; however, inspections help determine condition, whereas an appraisal helps determine value. They both bring benefits to prospective buyers.

INSPECTION VS APPRAISAL

- A professional, third party evaluation from a structural and safety standpoint.
- The home inspector examines the physical condition of the property and provides a detailed analysis for your review.
- Your Insurance agent may ask to see your home inspection to get you better quotes or policy options.



- An unbiased third party opinion of the monetary value of the property.
- The appraiser's goal is to assess the market value of the home, rather than the structural condition.
- Some loan products do require a minimum standard for property condition.

You and/or your agent
order inspections

An appraisal is typically
ordered by the lender

Costs vary depending on the types of inspections you order as well as the type of property and size of property that is being evaluated. Both must be paid for upfront, whether you purchase the home or not. Set aside at least \$1200 minimum to cover both.

TIPS FOR YOUR HOME INSPECTION

- Hire a qualified inspector with good reviews
- Understand what is covered in the inspection
- Get all your inspections done within the contingency period
- Attend the inspection to see any concerns firsthand
- Allow the inspector to inspect without interruption
- Ask questions and take notes during the inspection
- Discuss repairs or price adjustments with your agent
- Get at least three quotes for any repairs
- Decide if any discovered issues are deal-breakers
- Focus on major issues like structural integrity, roof condition, electrical and plumbing systems (cost-heavy repairs)

TIPS FOR YOUR APPRAISAL

- Use the appraisal to confirm you're making a sound investment
- Review the appraisal report to ensure the agreed price is in line with the home's value
- Be prepared to renegotiate or make decisions if the appraisal comes in lower than the offer price.
- Understand that a higher-than-offer appraised value gives you instant equity.