

NAVIGATING

THE HOME INSPECTION AGREEMENT



PRESENTED BY: *Matthew Rathbun*



ABOUT THE SPEAKER

Matthew Rathbun has traveled across the US and abroad bringing the latest information about trends, techniques, and tools to real estate agents looking to upgrade their careers. With a unique blend of geekiness, humor and in-depth knowledge of the practice of real estate Matthew makes agents think differently about the world.

Matthew is a self-proclaimed 'worst- student ever, and during each class, he puts himself in the learner's seat and brings a unique spin to how agents can increase their business and serve their clients at a higher level.

Matthew is a licensed broker in Virginia, Maryland, and the District of Columbia and Exec. Vice President of Coldwell Banker Elite, coaching and developing over 300+ agents and staff. Matthew has served in various capacities in the REALTOR® Association.

Notable Recognition

- REBI National Distinguished Educator Of The Year
- CRS National Instructor of the Year
- Virginia Association of Realtors - Instructor of the Year
- RISMedia Newsmaker – Influencer
- Virginia Realtors Graduate - Leadership Academy
- Fredericksburg Assoc. of Realtors – Realtor of the Year
- Fredericksburg Assoc. of Realtors – President's Award
- Fredericksburg Assoc. of Realtors – Code of Ethics Award
- Fredericksburg Assoc. of Realtors – Rookie of the Year
- Fredericksburg Assoc. of Realtors – Honor "Role"
- Coldwell Banker Recruiter Award – Virginia

MATTHEWRATHBUN.COM



Matthew Rathbun

MATTHEWRATHBUN

Negotiating

the home inspection agreement



Tech Check

All Systems Go?



Can you see me?



Can you see my screen?



Can you hear me?



Can you engage?



Nice to meet you!

Husband / Father / Grandfather

Broker / Marketer / Strategic Thinker

**I am not an attorney.
I'm not your broker.
I'm not familiar with your forms.
I'm here to share best practices.
You need to know your regulations.**

**lets start with
our roles as an
advocate**

**What
is
Disclosable?**



**timely.
written.
meaningful.**



**Would a
reasonable
buyer pause
in
purchasing
this
home?**



**Let the
experts be
the
experts**

The role of the home warranty



THE HOME INSPECTOR

Explain to the buyer what the limit of the inspection and liabilities are



THE INSPECTOR

- License Requirement
- Certifications
- Scope of work
- Limit of liability



THE INSPECTION





**Be
Present**

Video and photo documentation



Post-Inspection Debrief



Buyer's research phase





Explaining The Process



Seller Information



Buyer Information

THE ADDENDUM

**contra
proferentem**

**What does the
agreement say and
would a third party be
clear on the final result?**

COE Article 9

REALTORS® , for the protection of all parties, shall assure whenever possible that all agreements related to real estate transactions including, but not limited to, listing and representation agreements, purchase contracts, and leases are in writing in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party to such agreements upon their signing or initialing.

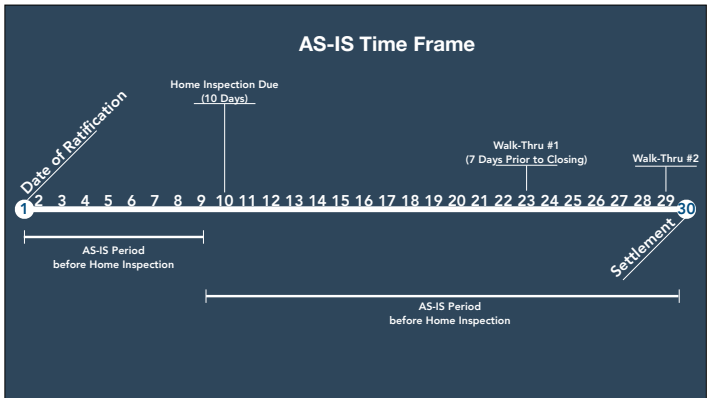
COE SOP 9-2

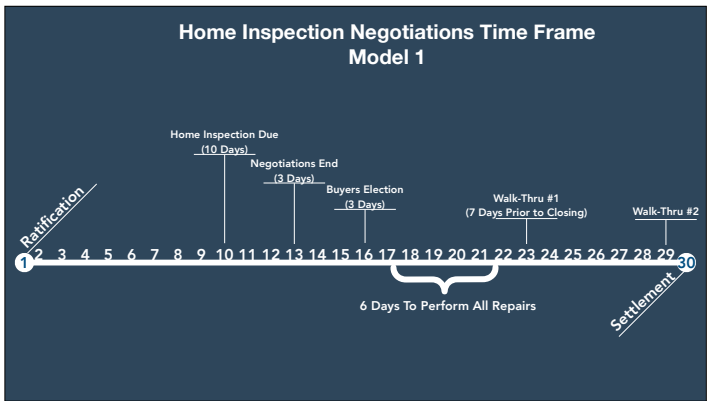
When assisting or enabling a client or customer in establishing a contractual relationship (e.g., listing and representation agreements, purchase agreements, leases, etc.) electronically, REALTORS® shall make reasonable efforts to explain the nature and disclose the specific terms of the contractual relationship being established prior to it being agreed to by a contracting party.

**“Customary Practice”
does not serve our
client’s best interests.**



writing with the end in mind





"The seller, at seller's expense, will replace any and all elements of the rear deck that show signs of damage, woodcut or damage by insects. The repairs will be made by a licensed and insured contractor who specializes in the work to be performed. Work will be performed to county building standards with appropriate permits and inspections to be completed. Upon replacement, the entire deck will be stained with a cherry colored stained to ensure a uniform color throughout the deck. Work is to be completed, with receipts provided to the Purchaser's agent no later than seven days prior to the scheduled Settlement date."

"The purchaser and their representatives reserved the right to conduct inspections reasonable inspections of the agreed upon work, no sooner than six days prior to the Settlement date. Seller agrees to allow reasonable access to home with at least 24 hours prior to any inspections. Visitation of the property prior to closing is only permitted for the necessary inspections of the work that the parties have agreed upon."



SELLER'S RESPONSE

Delivering the News



Your demeanor says more than your words



SELLER'S OPTIONS

- Reject
- Repair
- Repair with escrow
- Replace
- Release



The Seller's Research

costvsvalue.com



NAR Remodeling Impact Report



pillartopost.com/costguide



ESCROW OPTION

- Rarely available
- Should require 3x the estimate
- Stipulate who does repair
- When are they to be done
- What triggers release of EMD
- What happens if further issues are discovered?



Who is to do the work?





Who organizes and oversees the work?

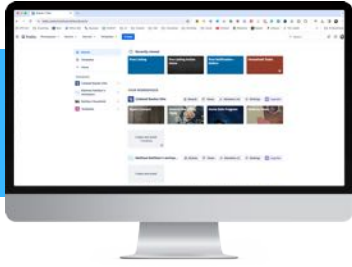
Certain work related to homes built before 1978 require a specialist



The agent's role in keeping repairs on track.



trello.com



NEGOTIATIONS

- You're not the decision maker
- They aren't the adversary
- Use truth and logic
- Seek compromise when possible
- Get agreements in writing ASAP
- In-person or virtual always









**When we
can't agree**



AI Magic

ChatPGT Prompt Framework

-  **State the Emulation**
-  **Direct the Task**
-  **Provide the Steps**
-  **Set the Goal**
-  **Provide the Data**



Prompt: You are a real estate attorney drafting an addendum in a real estate transaction. Draft a sales addendum that is legally binding in Virginia. Write at a college grade level.

Content: The seller agrees to fix the roof that is leaking, as well as the HVAC system that is not cooling the house. The seller also agrees that they will move the closing to August 31st, 2023 and the buyer will increase the sales price from \$575,000 to \$620,000.

Q&A

THANK YOU!

Matthew Rathbun



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HOME REPAIRS INFORMATION

As the seller you may have agreed to allow the buyer to conduct inspections of your property during a specific discovery period. The purchaser has identified certain items in the home which they or their inspector believe need to be repaired or replaced.

As part of our negotiations, you have some options. We have very specific deadlines in which to get an agreement between you and the purchaser. Your options vary on the item and type of request, but we have the following options for each individual item:

- Reject the request, which may allow the purchaser to void the agreement
- Agree to the repair
- Agree to the repair, with escrow after closing if permitted
- Provide a credit at closing if permitted for buyer to repair at a later time
- Any combination of the above

Should you agree to a repair, you should note that most repairs are required to be completed by a licensed contractor, with receipts provided to the purchaser and subject to their approval prior to closing.

If your home was built in 1978 or before, the contractor doing the repair should be lead-paint certified. A list of lead paint certified professionals can be found here <https://cdxapps.epa.gov/ocspp-oppt-leadhub/firm-search>

I may have a list of professionals who will assist you with affecting the necessary repairs, but you will be ultimately responsible for researching them, interviewing them, hiring them and coordinating their work unless you and I have made some other agreement.

Neither I nor Coldwell Banker Elite warrant these providers or their work. You are encouraged to research their choices by whatever means they deem necessary. You are free to use any vendor that they prefer. This list is simply a starting point and clients are free to search online or other trusted resources to obtain referrals. I suggest utilizing angi.com, yelp.com, google.com or other online tool to research any professional, regardless of who the recommendation comes from. You can also utilize the state licensing website to ensure that the



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ELITE

contractor has an active license in the field of work for which they are being hired. That website is www.dpor.virginia.gov

I would strongly recommend that any repairs you agree to have done, be ordered as soon as possible. Contractors and service providers can be undependable and are subject to a variety of issues including weather, workload and availability of supplies. Not completing repairs in a timely manner can delay closing or permit the purchaser to terminate the contract.

My team and I will be here to advise and assist you along the way as much as possible. Please do not hesitate to reach out to me at any point, regarding any questions or need for assistance.

Received:

Seller

Date

Seller

Date