



CALIFORNIA TITLE COMPANY

Inspection Process

When you make an offer on a home, your Purchase Contract will likely contain provisions allowing you various inspections of the property. The purpose of these inspections is to educate you as to the physical condition of the property you are purchasing. While these inspections do not provide guarantees of the condition of the property, they do provide valuable information to you as a Buyer. It is important to remember that your Purchase Contract may provide for withdrawal from the contract if these reports are unsatisfactory to you, but inspections should not be considered an open door to renegotiate the purchase price.

STRUCTURAL PEST CONTROL INSPECTION

Often referred to as a “Termite Report,” the Structural Pest Control Inspection is conducted by a licensed inspector. In addition to actual termite damage, the Pest Report will indicate any type of wood destroying organisms that may be present, including fungi (sometimes called “dry rot”), which generally results from excessive moisture.

Section I Conditions

Most Pest Reports classify conditions as Section 1 or Section 2 items. Section 1 conditions are those which are “active,” or currently causing damage to the property. Generally, Section 1 items need to be corrected before a lender will make a loan on a home.

Section II Conditions

Those which are not currently causing damage, but are likely to, if left unattended. A typical Section 2 item is a plumbing leak where the moisture has not yet caused fungus decay.

Who Pays?

Your Purchase Contract will specify who is responsible for the cost of the inspection and making these corrections. This is a negotiable item and should be considered carefully. I will advise you as to what is customary and prudent.

PHYSICAL INSPECTION

The Physical Inspection clause in your Purchase Contract, when initialed by both parties, allows you the right to have the property thoroughly inspected.

This is usually done through a General Home Inspection. While Home Inspectors are not currently required to have a license, most are, or have been, General Contractors. The Inspection and the resulting report provide an overall assessment of the present condition of the property.

What is Inspected?

The Home Inspection covers items such as exterior siding, paint, flooring, appliances, water heater, furnace, electrical service, plumbing, and other visible features of the property. This is a general inspection and will often call for additional inspections by specific trades, such as roof and furnace inspections.

Further Inspections

If conditions warrant, the Home Inspector may recommend a Structural Engineer’s Report. Such a report would identify structural failures and detail recommended corrections.

Who Pays?

Typically, this inspection is paid for by the Buyer.

GEOLOGICAL INSPECTION

You may also elect to have a Geological Inspection to educate yourselves as to the soil conditions at the home you are purchasing. This inspection is performed by a Geotechnical Engineer and involves not only physically inspecting the property, but also researching past geological activity in the area. The primary purpose of a Geological Inspection is to determine the stability of the ground under and around the home.

Who Pays?

Typically the Buyer pays, but as with other inspections, this is negotiable according to the contract.

HOME WARRANTY

Home Protection Plans are available for purchase by a Buyer or Seller. Such plans may provide additional protection of certain systems and appliances in your new home.

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