

Home Inspection Red Flags



"Daily Real Estate News" on Monday posted the following article sourced to AOL Real Estate. Following the article is SanibelSusan's revised-edition tailored for Sanibel Island home inspections. Things are a tad different on a barrier island in Florida! The AOL article says:

"A home inspection is a buyer's opportunity to see if any problems lurk that may prove expensive to fix later. Home inspections nearly always uncover something in a home to watch for or minor repairs needed. But what repairs should buyers especially be alarmed about that could possibly send them back to the negotiation table? Tom Kraeutler of The Money Pit, a nationally syndicated radio show on home improvement, points out some of the following home inspection red flags:

- **Termites and pests:** The sooner termites are detected, and steps can be taken to get rid of them, the better.
- **Drainage issues:** A home that has poor drainage can have wood rot and wet basements and crawlspaces, which can then lead to major mold growth.
- **Mold:** Pervasive mold growth may indicate an issue with improper ventilation issues and can also cause health issues to those living in the home.
- **Faulty foundations:** A cracked or crumbling foundation could be a very expensive repair.
- **Wiring issues:** Outdated wiring or overloaded circuits can pose a fire hazard."

Now some of Susan's ramblings: In Florida where our standard sales agreement does not provide for renegotiation following an inspection, here are a few contractual things to consider:



- The standard Florida Residential Contract for Sale and Purchase contains a "Property Inspection and Repair" clause which gives the Buyer the right to inspect during a prescribed time period. Within that inspection period, the Buyer must inform the Seller of any repair items that are not in the condition required by the contract. Then, the Seller is obligated to make the repairs provided they are within the contract's General Repair Limit (usually 1-1/2% of the purchase price). There is another 1-1/2% limit for Wood Destroying Organisms (i.e. termites and wood rot) and another 1-1/2% for closing out open or expired building permits. Total Seller repair liability often is 4-1/2% of the purchase price. Here, renegotiation does not come into play, unless limits are exceeded.
- The Florida "AS IS" Residential Contract for Sale and Purchase also contains an inspection clause, but it is called "Property Inspection: Right to Cancel". This contract similarly gives a Buyer the right to inspect during a prescribed time period. However, with this contract, the Buyer may determine within the inspection period that "in Buyer's sole discretion, that the property is not acceptable." With this contract, renegotiation is often the method of compromise used to make the property acceptable to the Buyer.
- The most commonly used contract on Sanibel today is the "AS IS" contract. I prefer it too, as it puts the Buyer in the driver's seat if any repairs are needed and it provides that window for renegotiation – or to walk away – should pricey defects be found that are not easily recognizable.

Real estate here on the island can be different from other areas. For example, homes do not have basements.



Below are **SanibelSusan's Island-Specific Home Inspection Red Flags**:

- **Wood rot and termites:** On the island where the weather is warm and the moisture level high, exterior surfaces need to be checked, sealed, and painted more often than up north. Up until a few years ago, wood rot (which is really a fungus) was the most common finding by island home inspectors. Over the last 12 months, probably half of the single-family home inspections have found evidence of termites. (These usually are the dry wood variety, the kind that swarm in the spring and can be even transferred from place to place by way of antique

turniture.) Our home inspector advises that any wood rot covering an area larger than a quarter should not be filled, but rather, the wood should be replaced. Wood rot does not go away, it must be removed completely! Keeping wood surfaces sealed, dry, and un-shaded by vegetation may help deter it. For termites, inspectors most often recommend tenting to ensure eradication.

- **Pin-hole leaks:** Sanibel reverse-osmosis-produced water often creates havoc with copper pipes, so if the property you are buying has any of those, be warned. Reverse osmosis-treated water is aggressive to metallic pipe or to substances that can ionize and dissolve in water – not because of low acidity, but because it is pure and has few dissolved substances in it. This water most-often corrodes through on horizontal copper piping and creates pin-hole leaks that can drip occasionally and then corrode over, often later dripping in another spot. Many owners with property having metal piping have replaced some, if not all, of the copper with a plastic-type piping. Some condo associations replaced piping as a complex project, others have not. Remember too, that it sometimes is easy to replace piping in an elevated home with an open lower level. Ground-level structures, like my home, usually have the original metal pipes in the floor under the concrete. That makes for fun replacement when they start to leak, like mine did last winter. If you need a good plumber, let me know!
- **Mold:** Mold can occur as a result of the pipe-hole leaks mentioned earlier, but more often mold is the result of a leaky roof or aftereffects of storm damage. Nationwide, mold became a topic of media attention a few years ago, much like Chinese drywall, radon, and lead-paint had in years previous. None of these items are found much on Sanibel, but being that this is often-damp Florida a variety of mold spores are often found. If you have health concerns or suspect that a property may have had former storm damage or water intrusion, get a mold test done. The black toxic mold variety is usually found in areas that you cannot see, like behind the walls. If suspected, get air samples taken. The samples are sent to a lab and evaluated for mold spores. Mold reports shown elevated readings and describe the mold varieties that can be of concern.
- **Salt pulping of wood pilings:** This is a fuzzy decay and deterioration on wood support pilings. Caused by salt water being absorbed from the ground up into the piling, this process is sometimes described as "wicking" and is much like how a straw works. Sometimes pulping happens because the piling is not dried, aged properly, or treated prior to use. To stop pulping, the water column action must be blocked.
- **Old electrical panels:** If a property was built between 1950 and 1990 and is equipped with a Federal Pacific Electric (FPE) panel with Stab-Lok circuit breakers, there is a risk of breaker malfunction and fire. Also, having this equipment can become an insurance obstacle. (Most insurance providers for a property older than 25 years will require a 4-Point Inspection which evaluates the HVAC, electrical panels and wiring, plumbing connections and fixture, and roof.) Over the last year, inspections for three of my sales were identified as having these panels. Some island condo complexes were built with them, sometimes with two per unit – one for the HVAC equipment and the other the standard electric breaker box. Records show that an estimated 2,800 fires each year directly result for FPE panel breaker malfunction. The company has been out of business for many years.

There are plenty of home inspectors in Southwest Florida but my favorite is Ron Dehler with [Horizon Inspection Service, Inc.](#), otherwise known to some Realtors® as "the deal breaker". We both think it is better that you find out what you are buying before you buy, rather than after!



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