Realtors and Home Inspectors

WHAT DO THEY WANT? WHY DOES IT MATTER
INTRODUCTION

We surveyed 160 realtors about their expectations and preferences regarding home inspections. The survey said home inspectors may be missing the mark, and that real estate agents, typically the most common referral source, aren't the most loyal of referral sources. They claim they are willing to recommend another inspector and have done so in almost equal numbers. So, even though the realtor is not the customer, the realtor is important to growing and sustaining your business. Prospective buyers may not have purchased a home for many years and are unlikely to have retained the contact information from their previous transaction; they have already established a relationship with the realtor and will look for a recommendation on a reliable inspector from the person they trust. In the following pages, uncover what the realtor is seeking in an inspector and an inspection report and decide for yourself the changes you would like to make.

THEY ARE NOT LOYAL...

True loyalty takes years to build and only seconds to destroy¹

This is uncannily true as it relates to the relationship between realtors and home inspectors. Many realtors showed they are more than willing to change inspectors, and have lived by their word. Some have changed inspectors even though they proclaimed reticence in the survey.

¹ A wise unknown author
...AND THEY ARE KEY TO GROWING AND SUSTAINING YOUR BUSINESS

According to realtors, they are the primary influencer of the home buyer in their decision to choose an inspector, and they wield a lot of power. Over half the time the home buyer chooses an inspector referred by the realtor. There was no certainty such as “always” or “usually” for any other referral source.

I can imagine a multitude of responses from the home inspectors ranging from “Of course” to “They wield too much power” or “Not for my business.” This was a survey of realtors, so this is clearly from their perspective and may not apply to you specifically. However, the numbers are too dramatic for them not to be somewhere close to reality. More surprising, is that the internet is just as likely to be a referral source as is friend or family. I would imagine if this survey were conducted 5 years ago, that would not have been true. Welcome to the world of Yelp, Angie’s List and an abundance of other review and referral sites.

Legend
Always or Usually
Sometimes
Never

SO WHAT DO THEY WANT ANYWAY?

If you accept that the realtor is important to growing your business, you should know what they are looking for. We evaluated three areas of realtor expectations:

1. Timeliness of delivery
2. How they choose which inspectors they recommend
3. What aspects of the report are important

Timeliness of Delivery

It is here that we found the largest gap between what the inspector is able to normally deliver and what the realtor expects, with a 20% gap between the two.
In contrast, the majority of you are delivering the report later than the realtor desires. Only 13% of realtors want the report delivered the evening of the inspection, compared to 38% of inspectors who deliver in that timeframe.

**Realtors Want The Report Earlier Than You Can Provide**

The realtor is focused on getting the deal closed for their client (and of course themselves). Their desire for near-immediate delivery is to provide time to the lawyers to work out the details and cement the deal, reducing the stress for everyone during this transitional time. Do your own research. Ask your realtor referral sources what they would desire in an ideal world.
Recommending Inspectors

When evaluating the most important criteria for recommending inspectors, there certainly was agreement and disagreement. When you look at the aggregate of all the respondents, thoroughness, certifications and schedule were the top three criteria. Having schedule in the top three probably explains why loyalty is not as high as desired.

What is more interesting is the variety of perspectives. All but one of the listed criteria was ranked #1 by some realtors with personal demeanor having the biggest differential between ranking and the volume of #1 votes. Essentially, you could be certified and thorough and available, but if your personal demeanor is difficult for the home buyer, your referrals may cease. No one said this was an easy job.

It is interesting to note how low timely delivery was in the ranking, especially given the gaps in delivery vs. expectations discussed above. Is it just expected? Do they not think it can get better? Did people think there was a better taxi service until Uber came around?

Report Contents

The top two elements in a highly rated report were in a virtual tie, and far exceeded the other elements. They were inclusion of a Summary page and Pictures.

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>RANK</th>
<th>NUMBER ONE VOTES</th>
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<tr>
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<td>Size of the company</td>
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There was a lot more consistency in the results than the question regarding recommending an inspector. The elements ranked three through six were closely tied as well. **Includes a summary page** was ranked #1 by over 40% of the respondents.

It is clear that realtors, home buyers, and lawyers are short on time because over 70% of the respondents indicated that a **summary page should only include important problems**.

This topic recently generated a wide variety of opinions from home inspectors. How do you balance the following contrasting needs of four distinct stakeholders:

1. Ensuring the home buyer is happy, fully informed, prepared, and protected
2. Reducing the time the lawyer needs to spend to protect the home buyer
3. Ensuring the realtor is happy and refers more business
4. Ensuring the inspector is fully protected

I’ve been collecting inspection reports from various inspectors, the internet, friends and family. It is clear from reviewing these and the comments on this subject on [LinkedIn](https://www.linkedin.com) that everyone has
their own solution? Who and how each solution benefits varies as seen below. The inspector should be protected in any solution by ensuring all the issues are in the report, summary page or not.

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<tr>
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<tr>
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<tr>
<td>Summary of important issues only</td>
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<tr>
<td>Summary of all issues categorized by significance</td>
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As a recent home buyer, I appreciated the summary page so I could quickly synthesize the report, and yes there were some less important issues that I asked the seller to address. So I appreciated the summary page including every issue categorized in a way that I could focus on the clear major concerns while cherry picking the other issues of importance to me. I will admit I didn’t read the whole report right away. I didn’t have the time at that point of the process. However, after the deal was finalized, I reviewed the entire report in **EXCRUCIATING** detail so I could create my post-closing “to-do” list.

At HomeHubZone, we believe you can satisfy all four constituents. A summary for the realtor and the home buyer showing all, or just the important items, categorized in a way to prioritize the level of scrutiny, detail for the post-closing to-do list, and a method of communicating the potential contract issues for the lawyer.

**AN INTERESTING NOTE ON KILLING DEALS**

A question was asked about how many deals were killed due to the inspection results. I expected the comments to include a few tirades about how their inspectors killed some big deal, etc,... None of those comments materialized. Despite all the fear by realtors about inspectors that kill deals, the results show that the deals that were killed were due to serious issues such
as leaking foundations, structural issues, or houses in horrible shape requiring far too many repairs. This seems like the inspectors are doing their job and the realtors respected the results of the inspectors.

SUMMARY

Realtors are not loyal. They want the best for their client and they are an important gateway to repeat business. Even with a thorough, high quality report, if your demeanor is not client-friendly or your schedule is challenging, they are willing to and have referred other inspectors. We believe the internet is a looming opportunity, but can be a threat to expanding your business. It needs to be quick and easy for the home buyer, the realtor, and the lawyer to identify the most important problems so that quick action can be taken to protect the home buyer. At the same time, the details are important and can’t be dismissed. The content and structure of the summary page may be the key to balancing these diverse needs. Attention needs to be paid to the efficiency of the report-creation process because realtors expect a higher degree of service related to timeliness of delivery than most inspectors can achieve with today’s tools. Evaluating your business practices in light of these findings can make a difference in your company’s growth trajectory.
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Grow Your Business

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