

Inspection Responses

Inspection response(s) can be the most challenging aspect of the entire process. This process can be less contentious if clients are well informed of their duties and responsibilities under the Agreement, all time frames to respond are reasonable, communication is good, and procedures are adhered to.

There is no list of items that qualify as defects. However, the Indiana Real Estate Commission defines a defect as: “a condition that would have a significant adverse effect on the value of the property, that would significantly impair the health or safety of future occupants of the property, or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.”

If a buyer reserves the right to have inspections as part of the Purchase Agreement, there are two choices for the inspection response form. While the language in the Agreement indicates that failure to respond by a designated date indicates acceptance, it is preferable that a response be submitted by the appropriate party (buyer or seller).

If the buyer, having reserved the right to have inspections, either decides not to have inspections, or, decides to accept the property in the condition reported in the inspection report(s), a Buyers Inspection Response Acceptance of Property Condition form should be used. This is a straight forward document. Buyer will check the appropriate box and sign the form. No seller response is required.

If, having had inspections, the buyer wishes to ask for repairs or other remedies, a Buyers Inspection Response form should be used. Since it is possible that multiple responses and counter responses may be necessary, the response form should be numbered on the line provided. Space is provided to itemize or explain necessary repairs or remedies. An Addendum to Inspection Response form is available for those instances where additional space is required. Buyer will indicate how much time the seller has to respond. Seller should be given adequate time to procure professional opinions or estimates if applicable. The seller will respond back to the buyer on the same form, either by accepting the buyer’s response, or by indicating a Seller’s Response to Inspections is forthcoming.

A form to request additional time (Request for Extension of Time for Inspection Response/Reply) is available for either the buyer or seller to utilize as necessary.

A Sellers Response to Inspection form is used by the seller to respond back to the buyer regarding inspection repairs/remedies etc. It provides the buyer with a similar opportunity to accept or respond back with another Buyer’s Response form.

For instances when the property is being sold As-Is, an “AS-IS” Addendum to Purchase Agreement should accompany the offer to purchase. This form sets out the buyer’s right to terminate the Agreement in the event inspections are not satisfactory.