

ELECTRONICALLY
REPRINTED FROM
OCTOBER 2002

Chicago®

Building inspector Tom Corbett has a knack for ferreting out the trouble spots in houses for sale. His candor earns praise from clients—and the wrath of real estate salespeople

The Home Reckoner



IT IS AN OVERCAST SATURDAY AFTERNOON, and Tom Corbett is doing what he loves: turning someone's dream house inside out, searching for flaws. Corbett, 54, is a home inspector, the person prospective buyers hire during that nerve-wracking time between when they bid on a property and when they either close the deal or kill it—often depending on what the inspector finds. In this case, a pediatric physician in her early 30s has hired Corbett to inspect an 85-year-old bungalow on the city's Northwest Side. The young doctor has fallen in love with the place—a dangerous romantic leap many first-time buyers make.

Wearing work boots, blue jeans, a tool belt, and a dark-blue shirt bearing the name of his Old Town home inspection company, Tomacor, Corbett stands on tiptoes in the attic, pulling back a recently installed sheet of insulation. "Look," he says, shining his flashlight on the plywood underside of the roof, which is nearly black with rot. "The insulation has trapped water, and condensation has

damaged the roof's sheeting and plywood."

Corbett is like a detective now, probing everywhere to confirm the extent of the damage. What first alerted him to a potentially serious problem was an initial examination revealing that the roof had recently undergone a patchwork renovation. As Corbett reasoned to himself: If you do an expensive roof renovation—and by the looks of it, this work had cost about \$5,000—that's one of the first things you tell potential buyers. In this case, the sellers hadn't mentioned it, which has piqued Corbett's curiosity.

He glides across the attic, passing through the middle section that has been converted into an office-bedroom. He shines his flashlight on the other side of the roof until he spots another patch of decayed plywood. Corbett grabs a screwdriver from his tool belt and plunges it into the roof. The steel tip sinks into the spongy wood like a dagger piercing flesh. "You are really going to have to make some decisions about this roof, much sooner than we thought," Corbett tells the young doctor.

She looks up at him, her eyes flashing disappointment. In her mind the house was already hers. Ten minutes earlier she had gushed about her plans to convert the entire attic into a full-size third floor. Now she glumly asks, "What would a person be looking at just to fix the roof?"

Corbett chooses his words carefully—he knows it can be dicey for an inspector to estimate prices and time frames for repairs, because buyers will often use such information to push for a lower sales price. He says the house will need a new roof, which might cost

▲ "Agents shouldn't expect me to help them sell a place; they should let me do my job," says Tom Corbett (above).

REPORTER

\$15,000 to \$20,000, and soon. The doctor looks deflated and excuses herself to make a phone call.

Corbett shakes his head. "Out of the nearly 10,000 inspections I've done, I've seen this severity of this problem only three or four times," he says. It's the kind of condensation and mildew problem that has made headlines in recent years as the cause of "sick building syndrome." Too much water condensation in the roof causes wood to rot and produce mold and mildew. "She's a doctor," Corbett continues. "She knows the health risks. I'll bet she doesn't buy."

And he's right: The woman, who explains later that her asthma had acted up during the inspection, decides to kill the deal. "I really liked that house," she says. "But I was going to need a lot of extra money to fix it up. Plus, I would never want to endanger myself or my family, my future children, like that."

THE STORY ILLUSTRATES WHY CORBETT IS arguably the most admired—and the most reviled—home inspector in Chicago. He tells clients he'll save them money by finding enough flaws to enable them to negotiate a lower price—or convince them they should walk away from a money pit altogether. His approach has endeared him to clients, who eagerly pass his name to other buyers. But it has made him a pariah to many real estate agents, whose livelihoods depend on closing deals.

Some agents do all they can to avoid dealing with Corbett. Mostly, they just don't refer clients to him. In more extreme cases, agents will actually tell buyers not to use Corbett or will refuse to work with other agents whose buyers want to use him.

"Recently, I was representing a buyer, and the seller's agent asked me who the home inspector was and then said, 'Please don't say Tom Corbett,'" says Harry Rivera, a Coldwell Banker Residential real estate agent. "Many agents don't like the way he does inspections, because they have the potential to lose a \$10,000 or \$20,000 commission check."

Although the typical home inspector relies on referrals from real estate agents for 60 percent to 80 percent of his business, according to the American Society of Home Inspectors (ASHI), Corbett draws less than 5 percent of his business through agent referrals. He has managed to thrive thanks to word of mouth from clients.

Michael Neu, owner of a Chicago corporate communications firm, has used Corbett on several purchases and would not use anyone else. "Recently, one of my employees bought a condo—his first purchase. And I told him to get Tom Corbett to do the inspection, because he's the best," says Neu. "Well, the real estate agent said to my employee, 'You don't want to use Tom Corbett. He's a deal breaker; he's always finding things wrong.'"

Bill Ryerson, a real estate agent at Lake View Realty for the past 14 years, has lost at least one deal because of a thorough Corbett inspection, but he still refers buyers to Corbett. "I just make sure I'm there during the inspection, so I can put things in perspective for [buyers]," he says. "I don't hire Tom because I like him; I hire Tom because my clients get a lot more information from him than they'd get from anyone else."

Over the past ten years, Ryerson says, he has heard at least a dozen agents say matter-of-factly, "'Oh, we don't use Tomacor.' A comment like that in this business, where everybody is mostly palsy-walsy, that's unusual. Put it this way: I've never heard even one other home inspector badmouthed like that."

Ellen Benninghoven, a real estate agent for 32 years, says she doesn't actively avoid working with Corbett, but she doesn't refer buyers to him anymore. "It's a personality thing," she says. "He's so negative about everything; he needs to put things into perspective."

Vera Radivojevic, a longtime Chicago real estate agent and broker, refuses to refer clients to Corbett. "Tom Corbett has a bad reputation in the real estate community because he's shot down every property in the city," she says. "A lot of the property in Chicago is 100 years old; there's going to be problems. It's all in how the inspector presents the information. A lot of first-time buyers are deprived of the beauty of owning a home because of what an inspector [like Corbett] says."

Corbett maintains he just wants to be able to do the best work he can. "I figure I might as well push the envelope and disclose all the information I have that's credible," he says. "I understand that agents are doing their job, which is to sell properties. I have no problem with that. But they shouldn't expect me to help them sell a place; they should let me do my job."

Perhaps there is no better testament to

Corbett's standing as an inspector than the fact that real estate agents hire him when they or family members are buying a place. Burt Fujishima, an agent with Coldwell Banker Residential, hired Corbett when buying a house on the Northwest Side four years ago. "Some [agents] despise him," Fujishima says. "But if the property is good, it will withstand a thorough inspection. If there is a problem, so be it. Let the parties work it out."

BUYING A HOME IS THE BIGGEST INVESTMENT

most people will ever make. In a typical purchase, the buyer hires a real estate agent to find the house and serve as the intermediary for negotiations with the seller's agent. When the parties agree on a price, the buyer signs an intent-to-buy contract, which becomes final only after the inspection (and after the buyer's attorney reviews the sales contract).

In general, it's the inspector's job to find any major flaws in a house, such as structural problems or health and safety hazards. It's also the inspector's job to check a property's mechanical equipment (heating and air conditioning systems, water heaters) and brief the buyer on any problems. "That second part is where a lot of inspectors fall down," Corbett says.

When it's time to hire an inspector, more than two-thirds of homebuyers simply ask their real estate agent for a referral, according to the ASHI, the Des Plaines-based professional association for home inspectors. It is customary for the agent to give the buyer a list of three inspectors—creating what some believe is a conflict of interest. If the agent's job and financial success depend upon closing deals, will she really recommend inspectors who will find the most problems?

"The conflict of interest issue is the single greatest problem out there," says Peter Cantwell, a Chicago real estate attorney. "The real estate professional is there to bring a buyer together with a seller. Don't ask your real estate professional to do more than that. It's essential to establish your own independent relationship with the other professionals involved. Often most important of all is selecting a qualified and competent home inspector."

In Illinois, the only organization setting professional and ethical standards for home inspectors has been ASHI, which requires that its members pass two exams

(one of them covering ethics), perform 250 inspections, pass a performance review, and take 20 hours of continuing education each year. But only about 325 of the state's approximately 1,000 home inspectors belong to ASHI, the association says.

Beginning January 1st, though, Illinois will join 25 other states in requiring that home inspectors be licensed. The new law will require inspectors to undergo prelicensing training, pass a licensing exam, and fulfill other requirements similar to those of AHSI. The tougher standards "will at least separate home inspectors who are truly qualified from those who just hang up a shingle and claim they are," says Chicago real estate attorney Mark Pearlstein. It will also, Corbett hopes, produce inspectors who are less willing to serve as pawns of real estate agents.

CORBETT DIDN'T ALWAYS HOLD REAL ESTATE

agents in such low regard. In 1984, when he was studying to become a home inspector—after previous stints in carpentry and teaching—his instructors told him that the best way to get started in the business was to market himself aggressively to as many real estate agents as possible, because they made most referrals. Corbett put together a presentation that included a slide show and pushed it on as many realtors as he could.

Over the next four or five years, Corbett began to build a solid business through agent referrals, and the money started rolling in. But it also became clear that the agents wanted something in return for their referrals—they wanted Corbett to help them sell the property by not tearing it apart, by leaving things understated, or unstated. Corbett began to feel increasingly uneasy, asking himself, "Who am I serving, the real estate agent or the homebuyer?"

Then one day in 1989, something happened that forced Corbett to answer that question once and for all. He arrived on time for a scheduled inspection of an 80-year-old bungalow in Ravenswood; he found a real estate agent he knew well waiting for him—alone. "Tom," she said, "there is a pile of asbestos in the basement. Please don't kill the deal because of it. I haven't had a commission in 90 days."

Corbett told her that he'd do his "professional best" not to thwart the sale.

When the buyers, a young husband and wife, showed up, the inspection began. Sure enough, a pile of asbestos-laden corrugated gray wrapping material from old heating pipes lay in a heap in the middle of the basement. Corbett pointed out to the buyers there was asbestos in the material. "I tried to not overstate it and threaten the deal," he says.

As the group entered the final room in the house, the agent mentioned that the owner was in there and that he was sick. "We walked in and I saw oxygen tanks and these straws stuck down his nose," Corbett says. "I felt a chill go up my spine." The agent whispered that the seller had cancer and they should leave. "My heart was jumping in my chest," Corbett says. The group walked to the front of the house and Corbett turned to the buyers. "Look, this is serious," he said. "You've got to get that asbestos out of there now if you want this house." The agent looked at him, shocked. "Why have you changed what you're saying?" she asked. "Fifteen minutes ago you didn't say that!"

That's when Corbett decided to stop soft-pedaling problems and start being brutally candid with buyers. That decision would eventually cost Corbett all of his referrals from that particular real estate company, as many as 10 to 15 a month (at \$250 per inspection back then; now Corbett gets about \$350 to \$450 per inspection).

In time Corbett's decision "to never be compromised again" would cost him dearly. As word got around among real estate agents, Tomacor's business began to dry up. By 1996, the company's worst year, revenues were half the 1992 peak. Eventually, Corbett had to let go of the two full-time inspectors working for him.

AS TOMACOR'S BUSINESS SHRANK IN THE

mid-nineties, Corbett never considered backing down or giving up. His wife, Avena Ward, supported him. "What we realized," Ward says, "is that if we serve the public, we cannot satisfy the real estate people. It's as simple as that." She also helped Corbett focus on new ways to market the company to homebuyers. They put on home inspection seminars at

libraries, volunteered to teach adult education courses in home inspection, and networked heavily with other inspectors.

To make ends meet, Corbett and Ward refinanced their mortgage four times and took out home equity loans. Corbett also started devoting more time to a side business offering courses in home inspection.

By 1997, the years of digging up business from sources other than real estate agents started paying off, and revenues at Tomacor began to increase again. Within two years, revenues exceeded the 1992 peak by 10 percent. The company continues to grow at least 10 percent a year, in part by going after commercial business, which has doubled in the past three years. Corbett now employs two full-time inspectors again and four part-timers.

The word-of-mouth success of Tomacor, fueled by Corbett's unusual business approach, has also brought Corbett professional recognition: He recently finished a yearlong term as chairman of ASHI's Ethical Practices and Procedures Committee. And for the third year in a row Corbett will be giving a talk at ASHI's national conference about how to develop business with a minimal number of real estate referrals—because there are always referrals from customers.

CUSTOMERS LIKE AMY JONES, A TRIBUNE

Company attorney who bought a house in Wrigleyville earlier this year. Jones had heard from a broker that Corbett killed a lot of deals because he was so thorough, and that sounded good to her. "I'm a pretty tough client," she says. "I want as much information as possible." And she wasn't disappointed. When Corbett found a piece of termite-infested wood underneath the porch, Jones hired a termite expert. Turns out Corbett had found the only piece of termite-infested wood in or around the place. "I don't know how he found that one piece of wood," she says. "Tom's a great inspector, but I tell people to take him with a grain of salt because he catches everything; it doesn't mean you have to back out of the deal." Jones pauses. "Of course, I wish I hadn't ignored some of the things he pointed out, like how the water pressure in the kitchen is low. Because it's really annoying." ■

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