



# CONSTRUCTION INSPECTOR REVIEW

VOLUME 20, 1ST QUARTER 2011

## Word from the Home Office

Granite is pleased to announce we have partnered with Renovation Ready, a new company that is a single-source for Real Estate Agents, Lenders and Home Buyers to streamline the home renovation lending process. As you know, in the last few years there have been a considerable number of properties that have flooded the market, many of which have been foreclosed, abandoned or vandalized. Renovation Ready, was developed to assist in the rebuilding of these homes with standardized systems and professional guidance in order to get them back on the market and occupied – thus increasing home and neighborhood values.

With this partnership, GCI has been awarded the inspection component of the process by performing the on-site property certification needed for loan programs including FHA, Fannie Mae and Freddie Mac. Many of you have already worked on some of these projects and we look forward to more in the future. We are always pleased to be able to explore new avenues of business and provide them to our inspector network. As always, thank you for your hard work.

Regards,  
The GCI Team

For more information about Renovation Ready, visit them online at <http://www.renovationready.com>.



## GCI's TOP 5

### Top 5 Inspector New Year's Resolutions

1. **INSPECTOR CONTACT PROFILE INFORMATION:** Provide GCI complete contact information. Update your contact information letting us know of any new contact information - phone numbers, email, address changes and fax numbers. Notify GCI of how you prefer to be notified of new inspection orders e.g. email, text notification.
2. **RESPONSIVE:** Respond to orders timely. Check your voice messages and return calls. Notify GCI with any questions and problems within 24 hours.
3. **COMMUNICATE:** Let us know of any questions once you have received the inspection order. Enter information relevant regarding inspection order into the comments field as needed.
4. **READ & REVIEW:** Look over all documents on inspection order. Read special instructions for DETAILS. Special instructions - Section I: Section II: all pertinent information will be detailed in this section.
5. **CLIENT EXPECTATIONS & CUSTOMER SERVICE:** Check DUE DATE and TIME DUE on all orders to comply with the requirements of the lender. Notify GCI of delays and issues as soon as they arise. Deliver results timely.

## Commercial Real Estate Terms Inspectors Should Know

by Nick Gromicko and Kate Tarasenko, INTERNACHI

If your inspection business has outgrown your home office, consider leasing or purchasing commercial property. In addition to determining your new office's size and location, and the budget you'll need for monthly costs, you should familiarize yourself with some basic terms of the transaction. Always consult with a trusted commercial property broker and attorney familiar with such deals before signing on the dotted line.

- A broker is the go-between for a purchaser and seller (or landlord and prospective tenant). The property owner generally pays the commission or fee for the broker, who must be licensed by the state.
- An appraisal is the financial equivalent of an inspection. An appraisal is conducted by a state-licensed professional that includes an analysis of the

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# INSPECTOR CENTRAL

*Inspector of the Quarter*

## “OUTSTANDING... IN THE FIELD”

### Mark Pentheny

Mark Pentheny, Owner of Vista Home Inspections, LLC, has been with Granite Construction Inspections (GCI) since 2007. Mark has always taken on any inspection assignments and any last minute rush requests. Mark also has an impressive turn-time of 19 hours! Mark has also made an impression with our Customer Service Team. Always available by phone and ready to take on any assignment, Mark keeps GCI apprised of the status of every inspection. His calls are very informative and he is a pleasure to have on the GCI Inspector Network.

Mark Pentheny has been in the inspection business for 15 years. Mark started in the residential construction trade and progressed to light industrial. He then moved on to conducting Insurance Inspections. After getting trained and certified as a Home Inspector through AHIT and EIS, Mark started his own inspection company, Vista Home Inspections, LLC.

Mark is a Washington State Licensed Home Inspector and Structural Pest Inspector and is also certified with IAC2 for Indoor Air Quality and Mold inspections. Mark is a member in good standing with InterNACHI and the Better Business Bureau and has an A+ rating. Mark's company is one of the premier home inspection companies in the Puget Sound region of Seattle.

When the economy took a turn, Mark joined the GCI Inspector Network to increase his opportunities and business. Mark is married and lives in Bellevue, Washington with his wife and so called “kids”-- a yellow lab named Hailey (his inspection partner) and Max, his 17-year-old cat. Mark's interests include traveling and camping in the Northwest, riding his Harley, and creating masterpieces on his Weber Grill.

*Thank you Mark for all of your hard work and dedication to our cause and our level of customer satisfaction!*



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## Commercial Real Estate Terms Inspectors Should Know

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property's value based on market trends and sales in the immediate surrounding area. An appraiser's written report is required for all property sales. Appraisals are essential for determining fair market values of properties, as well as property tax assessments.

- The rental agreement for a commercial property is commonly referred to as a lease. The owner is considered the lessor, and the tenant is known as the lessee. The lease generally stipulates the length (or term) of the lease, the rent and due date each month, and other general terms of occupancy, as well as specific prohibitions or responsibilities of the tenant. It's important that the tenant understands what his duties and financial responsibilities are for the property, and which ones are his landlord's (such as property and component maintenance, etc.) before signing the document. Additionally, there are a few different types of lease agreements that use alternate formulas for arriving at the amount of monthly rent:

- A flat lease (or straight lease) stipulates the flat amount of rent for the entire length of the lease, along with any renewal date, in which case the terms of the lease (including the rent) may change.

- A percentage lease uses a percentage of the tenant business' net or gross sales to help determine the monthly rent. This is a popular type of lease used for commercial

retail properties, and the percentage of sales is charged in addition to a minimum base rent.

- A net lease, also referred to as a "triple net" or "net-net-net" lease - requires the tenant to pay additional fees on top of the basic rent. These fees may be for property taxes, maintenance, insurance, etc.

Prospective tenants should especially note if there is an escalation clause in the lease. This allows the landlord to raise the rent based on any number of factors, including cost-of-living increases (based on a percentage as determined by the state in which the property is located), or planned or unexpected expenses during the term of the lease.

- Some commercial property owners allow a tenant to sublease a portion of the property, especially if it is larger

than the tenant needs. The tenant is still responsible for the terms of the lease agreement. It's the equivalent of the tenant taking on a roommate, or becoming a landlord himself. It's always advisable for the primary tenant to make sure that his sublessee's business or occupancy is complementary to his own, including hours of operation, number of employees, whether there is adequate parking, noise barriers, shared kitchen and/or restroom accommodations, etc.

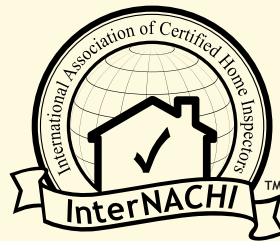
- Owners will sometimes modify properties based on a prospective tenant's specs. These tailored improvements, called "build-outs," are used in advertising for the property as built-to-suit. The owner makes his/her money back based on a long-term lease agreement, possibly one with an escalation clause.

- Turn-key properties are move-in ready, with little or no modifications or build-outs required in order for the tenant to commence business almost immediately upon occupancy.

- Concessions are benefits offered by the seller or landlord to help close the sale or finalize the lease. Common concessions include paying a tenant's moving expenses, build-outs, and discounted rent for a period of the lease.

In summary, there are aspects to leasing and purchasing with which you should become familiar before moving your business out of your home.

Granite is a member of:  
**THE INTERNATIONAL  
ASSOCIATION OF  
CERTIFIED HOME  
INSPECTORS**



For more information about NACHI, visit them at [www.nachi.org](http://www.nachi.org) or explore their resources at [www.inspectormall.com](http://www.inspectormall.com).

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## Inspector Compliance Corner

Granite Construction Inspections, Inc. (GCI) would like to remind our entire inspector network of critical elements on our Site Review. When submitting your report on our website, many times we find items on the Site Review portion that have been overlooked or questioned by our inspectors. One crucial element often overlooked or questioned on residential inspections is question 3 – *Was the permit or job card posted on site?* When an inspector answers “Yes”, we often get a picture, but there are times we do not. Please be sure to include a photo and get any information on documented change orders or sign-offs.

This is very similar to the question of *Did you observe any For Sale activity on the property?* Both of these questions are very important to the lender because it provides a “Heads-Up” on potential legal issues. Our clients are requesting this information to make better decisions concerning the project progress and fund disbursements.

The most common item missed on the Site Review portion of the report is the *Inspector Comments*. Many times we receive an “N/A” for an answer or this is simply blank. We have always advised to use this section to provide a general summary of the project conditions or observation. The following is an example of comments that should be provided:

### **Example: Inspector Comments**

*Main water connection from street is not complete. Siding is complete, minor soffit and caulking work remains. Exterior paint has not been started. Windows and exterior doors are installed. No deck railings installed. Rough ins are complete. Insulation is installed. Drywall is on site, no work has been started. No flatwork has been started.*

On a commercial inspection, we have two elements that often get overlooked or ignored. The first element is to list all supporting documents provided by the project representative and provide a list of any documentation you requested. The second element is to provide a list of all recorded municipal and special instructions to date (Trades, Inspector, and Sign-Offs).

These documents are very important to the progression of the construction and fund disbursement as many times these line items have a very large dollar amount associated with the line item. By providing notation and just as important, photographs of the documentation, we can advise our client of critical information often discovered afterwards. We can also avoid any misinformation or miscommunication often associated with change-orders. GCI encourages our inspectors to be aware and to document these areas often neglected or overlooked. Thank you for your continuing support and efforts as we look toward a prosperous 2011!

### **Keep up the good work!**

Please call GCI @ 800-919-8903 with any questions about these critical elements or any other portion of our process.

## GCI Developments

### **Inspector Certification Updates!**

GCI has a great way to choose the right inspector for a specific type of inspection. We have a mapping system where we can locate an inspector in that particular location and obtain detailed information on the qualifications of that inspector such as commercial designation and/or if they are HUD certified. We have various categories in which our inspectors can become certified such as HUD FHA Fee Roster Inspections, HUD 203K Consultant Inspections or standard commercial projects.

Our commercial inspectors are identified and designated on a certain Tier Level based on their experience and qualifications. Most of the inspectors are certified in at least one area. However, if an inspector would like to be considered for other types of inspections, we encourage him or her to provide us with all relevant experience and background. If you would like to be considered for other types of inspections, please call our Recruiting Department at 800-919-8903 or send us your information via email at [inspectorinfo@gcinspects.com](mailto:inspectorinfo@gcinspects.com).

For example, if you would like to be considered for commercial projects, send us a commercial ONLY resume. Please provide project name, size (dollar/sq ft. and your role on the projects. For HUD project consideration please contact the Recruiting Department to obtain qualifications and/or requirements.

When submitting qualifications, GCI encourages the inspector to

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provide detailed information on experiences (such as Public works, Road Works, Bridge Work, HUD ID, etc.) on your application or submit a separate document that will qualify the inspector for that particular inspection. Once the application or information is processed and accepted by our Recruiting Department, the inspector will be contacted to review our minimal requirements and procedures so that the inspector can process an inspection effectively.

As you may or may not know, the HUD market is booming and in order to conduct these inspections, you must be certified through HUD and assigned a HUD ID number which GCI will need when conducting these inspections. GCI has information on all of the requirements and procedures for both FHA and 203K certifications. Please contact the GCI Recruiting Department for all of the necessary information.

As our economy continues to grow slow but steadily, our opportunities and the types of inspections will also continue to expand. With that being said, we encourage each inspector to submit your complete background as it might provide some additional opportunities or allow us to bid on proposals and projects we otherwise would not have bid.

As you know, communication is a key factor for our success. Therefore, if you would like to be considered for these opportunities and various types of projects, please send us your application and resume via email at [inspectorinfo@gcinspects.com](mailto:inspectorinfo@gcinspects.com) or contact GCI's Recruiting Department at 800-919-8903.



## There's always a Granite Inspector next door.



GCI has over 4,000 local market construction experts, which means we guarantee that there's one near you. Granite Inspectors handle residential new construction and HUD Fee/Compliance and 203K Designations for home improvements.

Contact GCI at 866.380.9504 or at [sales@gcinspects.com](mailto:sales@gcinspects.com) to learn more!



## Message from GCI

GCI appreciates the accuracy, and timeliness that our Nationwide Inspector Network continues to exhibit and improve upon. We are working on many new avenues of business for 2011 to increase the volume and types of inspections that GCI can offer its inspectors. We will continue to actively communicate new information with you.



## GCI Word Search

E	A	F	C	B	B	A	F	R	A	M	I	N	G
W	M	I	E	R	Q	O	S	O	B	T	I	M	R
I	M	O	C	A	H	T	R	N	R	E	U	S	A
N	D	R	H	C	A	T	U	R	S	R	O	O	D
M	W	P	W	A	O	L	I	Q	O	W	V	T	E
A	V	E	Y	V	W	A	P	E	A	W	A	P	O
A	O	U	H	H	M	O	N	S	S	V	E	V	H
Q	A	T	P	S	W	Q	B	S	U	O	P	R	I
P	H	O	T	O	S	S	E	I	B	K	M	N	U
E	Q	K	U	H	D	C	W	I	T	D	I	O	B
R	S	M	I	G	C	T	F	R	T	U	H	H	K
C	U	F	H	A	K	S	H	R	U	L	E	O	A
E	I	O	J	L	A	N	O	T	A	T	I	O	N
N	F	H	B	S	T	P	B	T	F	E	U	J	S
T	L	Y	K	U	E	F	A	K	U	H	Y	O	A
A	A	J	O	R	O	U	B	L	M	S	T	L	K
G	S	N	E	E	N	T	A	V	J	O	R	E	Y
E	H	U	A	K	W	A	N	H	V	L	H	Q	T
S	I	S	L	D	E	C	K	V	N	V	A	E	E
A	N	R	I	M	L	Y	A	S	J	A	N	O	H
K	G	O	C	J	N	H	E	F	H	I	G	Y	O
U	A	E	G	T	A	H	O	U	B	K	J	N	J
H	J	T	R	C	S	T	K	A	U	Y	K	E	O
A	N	K	U	R	O	T	C	A	R	T	N	O	C

**ACCESS**

**DECK**

**GRADE**

**PHOTOS**

**BANK**

**DOOR**

**HOME**

**REPORT**

**BORROWER**

**FLASHING**

**HVAC**

**CONTRACTOR**

**FRAMING**

**NOTATION**

**CABINET**

**GCI**

**PERCENTAGES**

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## Want to Contribute to CIR?

If you have any questions or issues that you would like addressed in the CIR publication, please send directly to [sales@gcinspects.com](mailto:sales@gcinspects.com) so that we may include and/or address in upcoming publications. In addition, if you have any interesting photos, games and/or articles that you think are appropriate for our publication, we would love to know about them!