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8-Ways To Save A Real Estate Deal When You Discover Mold!

No one wants to buy a home with a mold problem but it doesn't have to kill a transaction. The information contained in this guide was designed to give you and your client a little education and peace-of-mind. ERS (Emergency Restoration Specialists, Inc.) have come across 8 common situations as we work regularly with real estate agents. Here are 8 ways to save your real estate transaction and your hard earned commission when mold is involved.

First, what are molds? Molds are natural, common, and typical in the environment. They are actually an important part of our ecosystem as they help decompose dead organic matter. However, we do not want an excess of mold growing in our homes, decomposing the structure and damaging our possessions. For molds to grow and reproduce, they need only a food source – any organic material, such as leaves, wood, paper, or dirt – and moisture. Because molds grow by digesting the organic material, they gradually destroy whatever they grow on. Mold growth on surfaces can often be seen in the form of discoloration, frequently green, gray, brown, or black but also white and other colors.



Situation [1]: A small area of mold is found and your client is worried there is a much bigger mold problem.

Explain to your clients that mold only grows where there is water or high relative humidity and organic material. If mold is identified around a single window where condensation is present or beneath the vanity from a leaky pipe, there is no need to be concerned about other areas of the home that are dry. Focus on the area where the water and mold growth is occurring and remove the mold at its source (e.g. the drywall and wood trim around the window or wood base of the bathroom vanity) and eliminating the water source (e.g. window condensation or plumbing leak).

Once this is finished, there are other inexpensive, easy steps to take like scrubbing the air on all levels of the home with inexpensive HEPA air purifiers to remove the airborne mold spores. Again, you don't need to be concerned about the rest of the house.

Solution: Advise your clients that since the mold is confined to one small area it can sometimes be remediated by a "do-it-yourself" buyer or seller with a few basic skills, or by a professional remediation company like ERS for far less than you would probably expect.

Situation [2]: Mold is disclosed on the real estate condition report or later identified during an inspection and you and your client are unsure whether you need it tested.

If you can see mold or smell the distinctive musty odor of mold, you have mold and testing is almost always an unnecessary waste of money. If you discover water problems that have caused building materials to become wet for extended periods of time, you probably have mold. Testing for mold will most likely not tell you anything you do not already know – you have mold, and it needs to be remediated the same way regardless of the type of mold you have (see Situation 7 below).

Testing can be useful in certain situations such as when someone identifies a moldy-like smell but cannot actually see mold anywhere. In this case, testing can help determine if the smell is indeed mold and the source of the presumed mold. Most of the time though the smell of mold will lead you right to a visible source of mold, making testing unnecessary.

But if you can already see visible mold, most of the time testing is a waste of time and money. This is a fact that most mold companies do not want you to know. But in reality testing is usually unnecessary in this situation and will slow up the transaction. Furthermore, the money allocated for testing could be used towards the remediation itself.

Solution: Advise your clients that testing is almost never needed when mold is already visibly identified.

Situation [3]: *Mold is identified and all parties involved are concerned about health effects and potential liability from mold.*

Another fact most mold companies will not disclose: many health effects proclaimed to be caused by mold are not proven! Hype and misinformation about mold and its impacts on our health flood the airwaves. Here's the truth: What mold exposure does and does not do to the human body is unproven.

Research is ongoing, and we will eventually know more about mold's effect on health. For now, most experts agree that typical symptoms of mold exposure are allergic reactions (often referred to as hay fever) and can include respiratory problems (such as wheezing, difficulty breathing, and asthma aggravation), nasal and sinus congestion, eye irritation, dry hacking cough, skin rashes or irritation or nose and throat irritation. Headaches, memory problems, mood swings, nosebleeds, body aches and pains, and fevers are occasionally reported in mold cases, but their cause is not understood.

The bottom line is that most of the severe adverse health effects associated with mold have not been proven, according to country's leading medical authority, the Center for Disease and Control and Prevention. According to the CDC:

*"A link between other adverse health effects, such as acute idiopathic pulmonary hemorrhage among infants, memory loss, or lethargy, and molds, including the mold *Stachybotrys chartarum* (*Stachybotrys atra*), has not been proven. Further studies are needed to find out what causes acute idiopathic hemorrhage and other adverse health effects."*

We are not doctors so please consult a physician if you believe you or someone you know is experiencing health problems from mold exposure. And do not get us wrong – it is unhealthy to live in a moldy environment. But much of what you hear and read about mold is often based on sensationalism and not backed by science.

Solution: Give your clients the truth about health effects from mold exposure.

Situation [4]: *"Black Mold" is identified and your client is concerned that the mold is toxic.*

Not all molds are toxic and come in a variety of colors. The dreaded "Black Mold" you have heard about so often in the media is not a species or specific type of mold.

Media reports of "Black Mold" often refer to certain types of molds, such as *Stachybotrys chartarum* (*atra*), which can produce compounds that have toxic properties, which are called *mycotoxins*. *Mycotoxins* are not always produced, and whether a mold produces *mycotoxins* while growing in a building depends on what the mold is growing on, conditions such as temperature, pH, humidity or other unknown factors. In other words, the presence of mold does not necessarily mean *mycotoxins* are present.

Much of what we know about *mycotoxins* is not well understood and ongoing research is needed. At present there is no environmental test to determine whether *Stachybotrys* growth found in buildings is producing toxins. There

is also no blood or urine test that can establish if an individual has been exposed to *Stachybotrys chartarum (atra)* spores or its toxins. According to the EPA, certain types of *mycotoxins* produced by the molds *Aspergillus flavus* and *Aspergillus parasiticus* are shown to cause cancer. However, the EPA goes on further to say that “*Aspergillus flavus and Aspergillus parasiticus are not commonly found on building materials or in indoor environments.*”

The Centers for Disease Control and Prevention also states: “*There are very few reports that toxigenic molds found inside homes can cause unique or rare health conditions such as pulmonary hemorrhage or memory loss. These case reports are rare, and a causal link between the presence of the toxigenic mold and these conditions has not been proven.*”

Solution. Educate your clients regarding the truth about “Black Mold” and toxic molds.

Situation [5]: *Mold is disclosed or identified but you are not sure whether you need to hire a professional.*

In many cases minor mold problems (less than 10 square feet of mold) can easily be handled by the homeowner with a free weekend afternoon and a few basic supplies from the hardware store. For more info, see our free downloadable “*ERS Guide To Mold Remediation.*” We provide a detailed process for your client to complete this themselves.

If any of the following conditions apply to your client’s home, you may wish to consider talking to a professional mold remediation contractor. It should not be expensive for minor problems. (1) Size of visual contamination. If you see more than a few isolated areas of mold, such as half of the ceiling, attic or wall, you may want to hire professionals to perform the remediation. (2) Hidden mold. If you can smell mold or a musty odor, but can’t find it, it may be in an inaccessible location, such as in a wall cavity or above a suspended ceiling. If you think you have hidden mold in your home, consider calling a professional. (3) Floods. If water has been standing in an indoor space longer than 24 hours (hot weather) or 48 hours (cold weather), a professional may be needed to perform an assessment to determine the extent of the damage, and to perform the remediation in a safe manner according to established guidelines. (4) Special populations. If mold remediation is to occur in the home of an individual who lacks a healthy immune system (such as people with cancer, asthma, etc.), special set-ups and procedures may be needed.

Solution. Advise your clients that minor mold problems should never be costly to fix and can often be done by the “Do-It-Yourselfers” in one day. Otherwise, consider a professional mold remediation contractor if any of the conditions above apply.

Situation [6]: *Your client is on a tight deadline to close and you are worried there is not enough time to remove the mold prior to the closing date.*

No need to worry as most of the time, mold can be removed in a few days by a professional company and should not stretch out the time it takes to close the deal.

Solution. Give your clients peace of mind that mold remediation can usually be completed within 1-3 days.

Situation [7]: *There is an extensive mold problem and a professional mold remediation company is needed to remove the mold before the deal can close.*

If a mold remediation company is needed, protect yourself from dishonest contractors by remembering one undeniable fact: “*Mold remediation is not rocket science!*”

Do not let a mold removal company tell you otherwise in an attempt to justify their outrageous estimate. There are essentially just two basic steps involved in mold remediation: Containment (e.g. using poly sheeting to prevent cross contamination) and Contamination Removal (e.g. safely removing moldy drywall, scrubbing/sanding 2x4s, removing airborne mold spores with HEPA air scrubbers, etc.)

We are oversimplifying a bit but there are other considerations involved like safety protocols (e.g. wearing respirators, gloves, etc. when needed), initial assessment, post remediation assessment, etc.

But be wary of any company or individual who implies that mold removal is an extremely complex process. Once you understand that mold remediation is not complicated, you are an empowered Realtor. If you represent the seller, you can advise him or her to say, “Thanks, but no thanks,” when someone tries to tell them that a bedroom closet with a little bit of ceiling mold is going to cost \$10,000 to be remediated. These outrageous bids are not uncommon!

There are plenty of honest mold removal companies too. Just do your homework, get multiple bids and educate yourself on the procedures needed to remove mold.

Solution. Help your clients find reputable mold remediation companies that won’t rip them off or give them a price for remediation that is so high it kills the deal.

Situation [8]: Unexpected mold is found in an attic or crawlspace during an inspection.

In real estate transactions, the discovery of mold in an attic or crawl space by an inspector often comes as an unexpected surprise to the parties involved. But mold in attics and crawl spaces do not need to kill a transaction.

Don’t kid yourself. Mold in these places needs to be remediated. In extreme cases, it can be a sign of bigger issues such as foundation problems or roof deficiencies. But a buyer who falls in love with a house should not necessarily be shocked if mold is found in an attic or crawl space by an inspector.

These two areas of the home are common for mold infestation – we have read some studies that indicate as much as 60% of all crawl spaces have mold.

But often attic and crawl space mold goes undetected by the homeowner because these are not places most of us spend much time in.

Solution. Educate your clients that unexpected attic and crawl space mold is common and the buyer can still live safely without worry if the remediation is done properly. Or if you represent the seller, attic and crawlspace mold can be removed and fixed like any other part of the house by a professional mold remediation company.

In conclusion. Explain to your buyer or seller that not all molds are bad. Mold is everywhere – in our homes, in our offices and in the fresh air we breathe outside. It is impossible to find a completely mold free home. Many of the media reports on mold are overhyped and mold is in fact a natural organism that most of the time makes life better by breaking down dead organic matter.

Despite these useful purposes, too much mold in a home can pose a health risk. How much is too much? Currently, there are no federal guidelines that define exactly how much mold is unhealthy. This useful fact is very important for your client to understand.

In addition, a mold problem is always a moisture problem. Moisture problems in buildings can be caused by water damage from floods, broken pipes, improper attic ventilation, failed appliances, etc., as well as by on-going and unnoticed leaks from pipes, roofs or condensation around doors and windows. In some cases, building design issues that cause high humidity levels also can support mold growth.

When mold is discovered, a professional mold remediation contractor will locate the source of the moisture and recommend a course of action to eliminate the problem quickly.

If you have any additional questions call the experts at Emergency Restoration Specialists, Inc. @ (414) 571-9977 or visit our website @ www.RemoveWater.com. We will guide you through the process to save your hard earned commission and get you to close faster!