

TOP-RATED HOME INSPECTION FRANCHISE

Franchise Information Report



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The franchise sales information in this document do not constitute an offer to sell a franchise. The offer of a franchise can only be made through the delivery of a Franchise Disclosure Document. Certain states require that we register the franchise disclosure document in those states. The communications in this document are not directed by us to the residents of any of those states. Moreover, we will not offer or sell franchises in those states until we have registered the franchise (or obtained an applicable exemption from registration) and delivered the franchise disclosure document to the prospective franchisee in compliance with applicable law.

What is WIN Home Inspection?

We're a long-running home inspection business real estate professionals prefer

Home inspections are a typical part of home purchase transactions, but that wasn't always the case. The idea of hiring someone to inspect a home was not common 30 years ago. Now, the vast majority of all home purchases involve a home inspection, according to the National Association of Realtors.

In the 1990s, Tom and Dianne Knapp, successful real estate brokers from Seattle, saw a need to bring more knowledge and professionalism to the home inspection business. They developed a business plan to offer licensed and insured home inspectors, launching World Inspection Network in 1993. By 1995, we had grown so rapidly they decided to franchise the idea. Nearly 25 years later, we have continued to experience consecutive growth and are now in more than 30 states with more than 180 designated marketing areas.

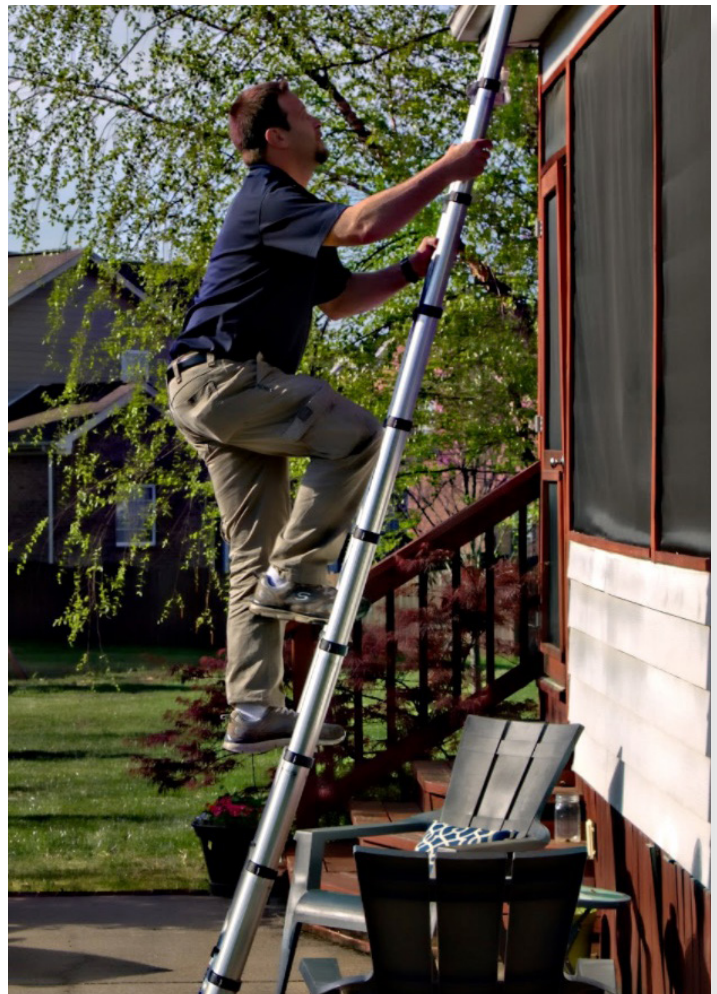
At WIN, we set ourselves apart by offering a consistent, professional experience that home buyers understand, home sellers appreciate and real estate agents respect. Training, technology and marketing support help franchisees develop loyal relationships in the real estate industry that lead to a steady stream of customer referrals. WIN inspectors arrive early in professional, branded vehicles and provide vital information to home sellers and home buyers to ensure a smooth home transition. WIN inspectors help make a house a home.

The real estate market is thriving again

Now is a great time to get into the growing home inspection business with a WIN franchise.

The strengthening economy bodes well for the home inspection business as a wave of pent-up demand is expected. Why? Millennials are entering the home-buying market in force, according to *Money Magazine*, adding many more prospective homeowners to the ranks of potential WIN clients, and older generations like Baby Boomers and Gen X continue to have high rates of home ownership.

That swell of buyers is significant for home inspectors, as more than 70% choose to have a home inspection prior to purchase, according to the National Association of Realtors. With such a large potential client base, now is a great time to consider the WIN franchise opportunity.



WIN startup costs

The WIN Home Inspection franchise cost is remarkably affordable and financing is available for some candidates

Startup costs begin at just \$44,250. In some instances, we offer in-house financing to cover a portion of that, which makes starting the business even more affordable for people who have good credit.

It is important to have some financial resources to draw on as you get your business started and work to get to your break-even point so you can start drawing profits. That’s why we look for candidates who have at least \$35,000 in liquid capital.

Here is a look at the startup home inspection franchise cost for a WIN Home Inspection business, taken from Item 7 of our Franchise Disclosure Document:

Type of Expenditure	Amount	Method of Payment	When Due	To Who Payment is To Be Made
Initial Franchise Fee	\$22,000	Lump sum or financed	Upon agreement execution	WINI
Travel/Living Expenses for Training	\$1,500 to \$2,500. A training credit up to \$1,000 is available.	As incurred	During initial training	Airlines, Hotels and Restaurants, Auto
Rent (including Real Estate and Taxes)	-0-			
WIN Tool Kit and Career Wear, WIN Go Marketing Plan, Computer and Software License Fees, WIN Business Conference Fee, Vehicle Decals	\$7,200 to \$8,500	Lump sum or financed	At initial training	Approved Suppliers and WINI
Vehicles	\$0 to \$3,500	First month and last month lease payments or down payment on purchase	Before opening	Vehicle Lessor or Lender
Professional and General Liability Insurance (down payment)	Minimum \$900	Down payment, then monthly payments (amounts vary)	Balance payable over next 8-9 months	Insurance Broker
State-Mandated Licensing and Additional Training	\$0 to \$5,000	Lump sum	Prior to attending training	Government Authorities
Business Licensing and DBA Filing	\$50 to \$500	Lump sum	Before opening	Government Authorities
Online Training Fee	\$600	Lump sum	At or before initial training	Approved Supplier and WINI
Additional Funds - Three Months	\$12,000 to \$24,000	As incurred	As incurred	(see below)
TOTAL	\$44,250 - \$67,500			

Financial performance numbers

Curious about the home inspector income potential? A look at the revenue generated by current WIN franchise owners

At WIN Home Inspection, we are a low-investment franchise opportunity with plenty of potential to scale and grow. Ramping up operations by networking and earning referrals also ramps up the home inspector income potential.

Below is revenue data from 2016, based on the gross revenues reported by franchisees whose businesses had been in operation for at least three years at the end of 2016. The data is intended to give an idea of how existing owners have performed once they have had time to get their businesses rolling.

Average revenue: Out of 189 franchised businesses in operation in 2016, 146 had at least three full years of operation by the end of 2016. Those 146 owners reported average revenues of \$159,244 in 2016.

Outperforming the average: Of the 146 owners cited above, 33% (49 total) exceeded the average revenue figure. Those 49 owners achieved an average revenue of \$259,010 in 2016.

The individual performance of franchise owners can vary greatly based on their skills, determination and market conditions. WIN Home Inspection franchise owners can share much more about their individual performances and what the ramp-up process was like for their business. If you'd like to learn more, give us a call and we'll be happy to answer your questions and put you in touch with owners.

Category 1

Total Number of Franchised Businesses	189
Number of Franchised Businesses Included in the Representation	146 (three full years of operation at 12/31/16)
Average Gross Revenues of the 146 Franchised Businesses Based Upon Reports of Gross Revenues for 2016 Submitted to Us	\$159,244
Number of Franchised Businesses Included in the Representation that Attained or Exceeded the Average Gross Revenues of \$159,244 in 2016	49 (33% of 146 Franchised Businesses included)

Category 2

Total Number of Franchised Businesses	189
Number of Franchised Businesses Included in the Representation	49 (three full years of operation at 12/31/16 and attained or exceeded the average Gross Revenues of \$159,244 in 2016)
Average Gross Revenues of the 49 Franchised Businesses that Attained or Exceeded the Average Gross Revenues of \$159,244 for 2016 Based Upon Reports of Gross Revenues Submitted to Us	\$259,010
Number of Franchised Businesses Included in the Representation that Attained or Exceeded the Average Gross Revenues of \$259,010 in 2016	18 (36% of 49 Franchised Businesses included)

WIN franchisees have a wide variety of backgrounds

Starting a home inspection business doesn't require any real estate or construction experience, just people skills and the drive to succeed

Potential WIN owners don't have to have years of real estate or construction experience when starting a home inspection business with us – they need a passion for working with other people. Our WIN Home Inspection curriculum and training will get owners up to speed and ready to inspect homes; our marketing resources can help teach owners how to network with real estate agents and other referral sources.

"It really helps to be able to be in front of a group of people and talk to them," said Dennis Spencer of WIN Santa Cruz, CA. "This is a people business. It's all about networking and building your referral base."

Training and support for home inspectors, franchise owners

All WIN inspectors (the owners and their teams) receive a mix of online, classroom and field training. The online training is a 40-hour course that introduces home inspections and the various parts of the home. Franchise owners complete the online courses before coming to WIN's headquarters near Nashville in Franklin, TN, for two weeks of classroom training and inspection work.

Starting a home inspection business with a WIN franchise doesn't require any previous real estate or construction experience; our training teaches you what you need to know.

WIN owners receive a week of classroom training at our headquarters in Tennessee on how to run the business, communicate effectively with customers, work with vendors, analyze prices, learn computer systems, market the business and more. They also receive training focused on how to market themselves at real estate offices and during Open Houses.

An additional week focuses on the technical aspects of providing a thorough home inspection according to national standards set by the American Society of Home Inspectors (ASHI) and the National Association of Home Inspectors (NAHI). The training includes classroom instruction on what to look for in various parts of a home, as well as on-site inspections at a condominium and freestanding home.

We also assist new owners with any state-level certifications they may need to obtain when starting a home inspection business, depending on where they intend to operate. WIN offers ongoing support to franchise owners. The home office is available by phone or email to provide guidance and assistance.



Protected marketing territories provide an advantage to franchisees

Each WIN Home Inspection territory is carefully crafted to help franchisees efficiently market and run their businesses

At WIN, we define home inspection franchise territories differently from many other franchises. Instead of just focusing on an area's population, we zero in on two highly relevant pieces of data: how many active real estate agents are in an area and how many home transactions are taking place. Additionally, WIN franchisees benefit from protected Designated Marketing Areas (DMAs), where they build key relationships with other real estate professionals.

Real estate agents are the people buyers go to for advice and referrals, which is how WIN owners get customers. The fastest way to grow the business is to let agents know about the service and professionalism that WIN can provide. That builds relationships that can lead to more referrals and inspections.

There are three major advantages to this approach:

Building relationships

WIN's DMAs focus on ZIP codes with dozens of top-performing real estate agents. WIN's training teaches franchisees how to market to agents and the marketing areas are designed to make the process efficient.

Reducing time in the vehicle

Real estate agents tend to cluster close to the areas where they sell the most homes, which helps franchisees avoid a lot of unnecessary



travel between inspections. WIN Home Inspection franchise territories are designed to help make franchisees more efficient and profitable.

Enabling teamwork

Every city has a lot of homes being sold at any given time, which means there is plenty of work for inspectors. At WIN, other franchise owners are not competitors — they are assets. Franchisees don't market outside of their territories or encroach on one another's referral networks, which means they can work together to build the brand. WIN operators cover for one another, ensuring that inspections stay in the WIN network, agents stay happy and franchisees can afford to take time for their families and for themselves.



Here's what to expect during the evaluation process

We'll want to understand your goals and make sure we're a good fit. Here's how that happens

Thank you for taking the time to learn about WIN Home Inspection and our franchise opportunity.

Here's what to expect after you've contacted us:

Our experienced franchise team will contact you to discuss WIN's business concept and to give us a chance to get to know one another. We will also discuss potential territories, known as Designated Marketing Areas, where you can start your WIN franchise. In this conversation, we'll determine if we each fit what the other is looking for. From there, we will guide you along our step-by-step process to help you discover what it takes to win as a WIN franchisee.



**To speak with a franchise representative, call:
(800) 967-8127**