

National Home Inspector Certification Council

www.nationalhomeinspector.org

What Do Consumers Need to Know About the Home Inspection Industry?

Buying a home is usually one of the biggest and most important purchases a consumer will make. It's a good idea to try to find out as much as you can about potential problems before you commit to buying any home. Most often hiring a home inspector can help you with that process by providing a visual inspection and review of the building systems of a home.

A home inspector is an individual who, for a fee, inspects and provides a written report on the overall physical condition of a residential structure. Extreme care must be taken because home inspection is largely unregulated in most of Canada. Hiring a home inspector that is unqualified often represents a greater risk. Under such circumstances very little if any protection is offered for the unsuspecting consumer. At the time of writing this article seven different home inspection associations exist in Ontario alone. Now consider the implication of at least equally as many if not more spread throughout the rest of Canada. Membership in an association is a great means for camaraderie and observance of the requirements set by the individual association. But a closer review notes that requirements for certification vary from as little as 20 fee paid inspections and upward to 250 fee paid inspections. Other significant differences include the training and education requirements, or to what level of rigor their members are actually field tested.

In 1996, a study was conducted that notes: *"CMHC research has shown that currently there are a number of private inspection associations and organizations across the country each with different inspection standards and levels of qualifications. The difference in standards for certifying private inspectors in Canada has caused confusion in the minds of consumers as well as within other sectors of the housing industry. Also indicated in the research, is the considerable variation in the availability and quality of the home inspection service offered across Canada, with large regional differences."*

It also noted: *"The private inspection industry is highly fragmented, comprised of a number of associations, franchises and individual firms with varying qualifications. There is no national organization with which the housing sector can interact. This has been an issue for the sector and has received CMHC attention for almost a decade."*

Moving forward, some improvement has transpired, but practically very little has changed. Perhaps one highlight is the licensing requirements (2009) in British Columbia to practice home inspection, and more recently (2011) regulation 75/2011 set in Alberta. But even with licensing or even regulation there is no real fail-safe magic bullet that will cure the mistake or carelessness of being on the receiving end of a bad home inspection, or perhaps the proverbial home inspection nightmare. As an example, even with voluntary certification testing that was based on the results of approximately 500 home inspectors, the data indicates that 1 out of 5 home inspectors failed to meet an 80% competency rate in a practical home inspection "test house" setting. Most failed to recognize significant defects or failed to properly communicate the significance of major defects.

Even a licensure study completed (2006) in the state of Ohio indicates:

- (1) *Real estate agents in licensing and non-licensing states both said – approximately 15% of home inspection reports they have seen are inadequate.*
- (2) *Approximately 13% of homeowners have later discovered problems with their home inspection.*
- (3) *Rated home inspectors they dealt with between 8 and 8.5 out of 10 on knowledge of building construction, accuracy in the inspection report, professionalism of the inspection report, and overall client satisfaction.*

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Although some home inspectors and their respective associations have argued that 15% is insignificant, that really depends if you are the one being impacted!

So how can you be assured that your home inspector has at least met the only recognized and voluntary certification that truly meets an acknowledged and a consistent “national standard” for home and property inspectors?

A few key things to consider:

- The home inspection sector with support of HRSDC and CMHC created a National Occupational Standard, recognizing the skills demanded for a home inspection.
- Home inspectors are governed by Standards of Practice and Code of Ethics that list what is expected of a professional home inspector.
- A written contract is required for all home inspections, along with a written or computer generated report.
- Contracts should always be read carefully as they often contain limitation clauses or a clause that limits the inspector’s liability to the inspection fee.
- Ideally the contract should be presented prior to conducting the home inspection for mutual agreement.
- What is the call back or follow-up procedure of the inspector, if things do go wrong?

The NHICC provides a logical link to “consumer protection” in a number of ways. First it adheres to voluntary certification and recognition of training for the home inspection industry. The NHICC has no vested interest in self-certifying and/or profiting from promoting their own brand of training home inspectors like a number of home inspection associations characteristically offer.

Furthermore, if you have a problem with your home inspection experience, the NHICC may be able to help. Complaints filed against home inspection businesses using uncertified individuals to perform inspections may be sent to the NHICC Professional Practices Committee, but will probably not result in benefit to the complainant. However, a complaint against a National Home Inspector - Canada (NHI) will be reviewed, providing reasonable documentation is offered to investigate or establish the grounds to substantiate the conditions that support the complaint.

To become a National Home Inspector (NHI) the individual home inspector must “pass” a proctored national exam for home inspectors. The entrance exam is a minimal baseline for knowledge of home inspection. In addition to specific home inspector training experiential learning through a mentoring program is also incorporated into the certification process. The education training component includes a minimum of 200 hours of studies along with a minimum of 150 fee-paid inspections and a minimum of 50 hours of mentoring. Additionally, 20 continuing education credits are required annually to maintain ongoing NCH status, as well as periodic testing requirements every 5 years.

The NHICC is not just another home inspection association. It provides the answer to a consistent national certification process to recognized National Occupational Standards. The NHICC is an organizational member of the National Commission of Certifying Agencies. The NHICC is comprised of forward thinking practitioners along with a cadre of advisors that support and strive to assure that the fundamental values of the studies conducted by CMHC and other industry stakeholders come to fruition. Ultimately our goal is to bring together the home inspection community on a professional level and to offer reasonable protection to the consumers of home inspection services.

If you have any suggestions on how the NHICC can best serve you as a consumer, we look forward to receiving your comments and input.

Note: This is just one of a number of “Consumer Updates” that will be published for your information.

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