

ASK THE INSPECTOR COLUMN FOR SEPTEMBER 8, 2016

HEADLINE: LICENSING AND DECLINING HOMEBUYER EXPECTATIONS

A couple of weeks ago, the new Minister of Government and Consumer Services, Marie-france Lalonde, called the original review board back for an update on the progress of the legislation, with respect to licensing home inspectors. I heard back from a couple of the board members and both expressed some belief that this will finally happen. In fact, one member said Minister Lalonde advised it was their intent to make this the benchmark in Canada for home inspection licensing. It was also brought up that the level of home inspections in Ontario has dropped significantly, mainly due to the red hot market in Toronto, where home inspections are rare due to bidding wars for resale homes and the realization that any offer other than one clear of any obstructions, such as a home inspection, were simply cast aside.

One association president commented that he had information from CMHC/OREA showing that the number of home inspections done province wide, in 2014, were approximately 65% of all sales; in 2015, it dropped to 55% and, in July of this year, it was reported that it's now sitting at 30%. He went on to say that they feel there will be a rout within the industry over the next year or so, as marginal inspectors fall off due to lack of business. There was some talk of mandating home inspections for every sale in Ontario.

So what has happened here.....why the decline? The reason in Toronto is obvious, a ridiculous market, almost at the frenzy stage, as one agent I spoke to recently stated. That does not explain the rest of the province and here lies another issue, the home buying public has simply lost faith in the value of a home inspection for a number of reasons.

The most obvious one, there are no licensing standards. You can simply go on line and, if you have any reasonable knowledge of a home, in less than an afternoon on the computer, print out your own home inspection certification. The rise of social media, while it can be cruel and lacking in fact at times, has spread the sad story of home inspections. At an inspection a week ago, a client and her mother were jointly buying a home. I asked her why she was having an inspection done. She was very clear in her answer; if I was not an experienced, known locally by reputation and a former contractor, she likely would have got her contractor neighbor to come with her, she said. Recently, talking to other long term local inspectors, I heard the same thing. They are still busy and living on their

reputations. More than one agent I have talked to said the clients are waiving the home inspection clause or have already chosen their home inspector. The days of the “home inspectors in the pocket” of the agent are slowly declining. When one is recommended, more and more buyers are double checking the credentials of the inspector. Agents understand that their name is attached to the recommendation. In a market like Kingston, with hundreds of agents in business, far more than needed, more and more agents say they are getting more cautious about who they recommend.

Another reason is the media and I will accept some blame here. My columns, over the past few years have not been kind to this business, as I strove to push the Ontario government towards licensing. Mike Holmes and his, now departed, show on home inspection had a dramatic impact, as well. He ripped a strip off this industry for one entire HGTV season and it had a major ripple down effect on the public perception and value of a home inspection.

Yet another issue is the lack of continuity in the actual inspection. Right now, I am aware of at least three different home inspection standards being used in Ontario. Sadly, the CSA National standard for home inspection, released in March of this year has been ignored by other than a small percentage of home inspectors. Yet, once licensing in Ontario is announced, I fully expect this, well researched, and reasonable inspection method to be adopted. Most home inspectors already know this, yet they ignore the inevitable. If intend to stay in this business, why they are not using the new CSA standard, for the benefit of their clients, is beyond me.

Conflicting information on what a home inspector should be doing is another factor, here, and I took issue with a recent column by Mike Holmes. In it, Mike lists, “such as asbestos, radon, mold, termites and carpenter ants” as things he feels should be reported. The CSA standard, section 4.1.4, clearly states as exclusions: “identifying hidden or not visually apparent hazardous items (e.g. asbestos, mold, PCB) and also, “identifying hidden or not visually apparent infestation of vermin including wood destroying organisms.” These are not part of a home inspection. The standard goes on to say “reporting of these exclusions are solely at the discretion of the inspector,” to which I agree. Here-in, experience is the governing factor; surface mold is simply that, surface and every indoor air quality concern should be brought to the client’s attention if it’s clearly visible and then the applicable testing professionals take over for further review. Mike goes on to say that a buyer should look for someone experienced and ideally carrying a thermal camera in their tool bag. He makes this tool part of his own home

inspection company policy. I have mixed feelings on this, especially on the comment that these cameras will find a leak. They will find a differential in the temperature in a wall; reducing the areas to look for possible dampness. They will not, however, find the sole source of water dripping off a foundation wall. Used properly, they can be a good investigative tool to reduce the time searching for some problems.

Once licensing is in place, hopefully by early spring, the home inspection industry can educate the public on what a home inspection really can and can't do. Only then will the home buying public begin to trust the value of what an experienced, licensed home inspector can bring to the table.

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