

ASK THE INSPECTOR COLUMN FOR MARCH 9, 2016

HEADLINE: HOME INSPECTION; EVOLUTION OF AN UNREGULATED INDUSTRY

If you have had the opportunity to follow this column of late, you will know that I have been pressing the issue of licensing and it appears to have drawn some attention from the government and the opposition members. A private members bill received second reading in Queens Park on March 3rd and is off to committee for all party discussion. I am certainly not alone in this drive to legislate the home inspection; there are some very concerned MPP's. The present bill was actually tabled by Liberal Member, Han Dong.

I expected some response as to why this has not happened before now, given the fact that the home inspection business has been around since the 70's, starting in California. The reader response has been way beyond expectations. The American Society of Home Inspectors (ASHI) was formed in 1976 and today represents over 3,000 Home Inspectors right across North America. Their top accreditation is the ACI (ASHI Certified Inspector) and they are recognized as one of the most stringent organizations for membership requirements on the continent.

The concept arrived in Ontario in the 80's. Individuals began doing home inspections and some form of standardization was quickly recognized as needed. The Ontario Association of Home Inspectors (OAHl) was formed in 1986. They began the effort to obtain provincial approval for their certification process and, in 1994, bill Pr158 was passed. This bill permits OAHl to set their own standards for certification, rising up to their Registered Home Inspector status (RHI). Between the period 1986 to 1994, a number of articles were written on the lack of standardization. The March 1989 issue of Canadian Consumer brought this up, as did a 1988 report by the, then, Ministry of Consumer and Commercial Relations, the forerunner of the current Ministry of Government and Consumer Affairs. This Provincial ministry has known about the home inspection issue for what is now 28 years!

Bill Pr158 established OAHl, but it does not prevent any other individual or association from setting up shop in Ontario and hundreds have, along with up to seven other associations at one point in the past. The committee that passed Pr158 was told that OAHl members must carry errors and omissions insurance. In fact, that is no longer true. If a member does not carry insurance, they send OAHl

a form saying they will tell the customer they are not insured. It would be interesting to see how often that happens, as one insured RHI suggested.

As the OAHI effort was proceeding, CMHC began to research this industry and, in 1996, found that there was interest in a strong unified national body for individual home inspectors licensing. In June of 1997, they produced a report that outlined a strategy to develop a certification method to train and regulate individual home inspectors. Known as the "National Initiative," this concept was announced in 1999. By 2000, a steering committee was in operation and the national program started. Unfortunately, the provincial political climate at the time still lacked the desire to protect the homeowner and the CMHC program became a battle ground issue within what is now the Canadian Association of Home and Property Inspectors (CAHPI), who have branches in most of the provinces. A vicious fight over how and who controls the program ended when CMHC simply walked away from the infighting. The program was quietly resurrected by a group of dedicated individuals, now known as the National Home Inspection Certification Council (NHICC). The current CMHC web site on this subject has the following comment. "CMHC supports a common national occupational standard for home inspectors" and they go on to say "...and independent certification program."

During the 2000's, an explosion of home inspector associations rose up in Ontario; everyone vying for the individual home inspectors membership and offering a wide ranging level of certification. Across the border came the Americans, namely the International Association of Certified Home Inspectors (InterNACHI). They offered a package of marketing and online training of kind and a marginal certification, simply an online process to quickly obtain their base certified home inspector status. This slick organization caught on like wildfire and NACHI inspectors flooded the marketplace, only adding to the already confusing situation. In order to give their organization some Canadian content, they spawned the Canadian National Association of Certified Home Inspectors and, in Ontario, the Ontario branch of this US business.

The NHICC program was recognized to need more industry awareness. Another member organization was started in an attempt to support the NHICC program as a separate identity. This group, called the Professional Home and Property Inspectors Ontario (PHPIO), then went National as PHPIC. Similar attempts, including one by a labor union, began and this one, subsequently, failed. During this period in the 2000's, infighting amongst the various associations, internal upheaval, including a white paper on the questionable financial and structural

issues within OAH, which I authored, simply rendered this industry unable to manage itself. Respect for, not only the standards, but the value of a home inspection was drawn into question by many consumers. Mike Holmes began a TV show to expose this problem. He started his own home inspection company and, based upon their limited growth, may have found that this fractured industry and the public perception of home inspections was more than they had bargained for. His home inspection show ran for just one year.

Out west, the province of British Columbia and then Alberta recognized that this industry needed some manner of regulation and BC stepped into the fire, attempting to regulate this business in their province. Massive lobbying by the Home Inspection Associations convinced BC to permit the associations to provide a standard of training and inspection practises. Both provinces quickly found out that this method is fraught with issues over individual association standards and how they were changing them to suit their own growth; make that membership fees.

The NHICC organization had quietly tried to outline what was wrong with this process and was pushed aside by the dollar driven associations. Unfortunately for Alberta, they realized this too late. The, then, Director, Cooperatives and Project Advisor commented at one meeting with the NHICC people that, had they not just become aware of this former CMHC program, it would have saved them a lot of grief.

The simple answer to this issue is that you must license the inspector, not his or her association. Licensed trades like carpenters, plumbers and electricians are trained by the regulatory bodies. They do not have to belong to the various unions to hold a license, and this is what this business needs badly.

This is a three part series. Next week, we look in-depth at the associations, their issues and lobbying. In week three, I will culminate with how this fractured industry could be made into a professional, standardized public service for every homebuyer to appreciate and respect.

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