

ASL THE INSPECTOR COLUMN FOR NOVEMBER 23. 2016

HEADLINE: THE WHEN....WHO....WHAT.....ABOUT HOME INSPECTOR LICENSING

Since my column on the introduction of the Ontario government bill to license home Inspectors, I have received a steady stream of calls from existing home inspectors and, more so, from those who are thinking of entering the business. The Bill was tabled for second reading on Wednesday, Nov. 16. Once passed, it is expected to go committee for review and receipt of submissions from interested parties; mainly the home inspection associations in Ontario. While the associations have all recognized that this is going to happen, there are still some “protectionism” efforts, which will likely be outlined in their submissions to the committee. While there is no fixed time frame, once clear of the committee, it’s back to the legislature for third and final reading and then on for royal assent.

As this legislative process is moving along, a Designated Administrative Authority (DAA) will be established to outline the actual mandate that the Ministry of Government and Consumers Services (MGCS) will require. During the announcement of the bill, “Putting Ontario Consumers First,” on November 3, 2016, Minister Lalonde stated that they intend to use “A Closer Look: Qualifying Home Inspectors” (ACLQHI) as the basis for the licensing process. That report was submitted to the committee by a panel of 16 professionals, back in December of 2013. A wide range of interests was represented on the panel: home inspection associations; educators; real estate and insurance representatives and consumer advocates.

The Ministry has also announced that they plan to have the DAA functional, with licensing standards in place, by 2019. While that may seem a long way off, in fact, once this is all packaged together, those 2 years will seem very short.

To look at where licensing is going, one needs to delve into the December 2013 report. The recommendations are very well written and they clearly define a licensing process that is both fair and responsible. Once finalized, there will be one standard of practice, suspected to be the CSA A-770 Standard of Practice announced last March. Ontario helped fund this standard, along with Alberta, and it is a good standard. Further, a document outlining the scope of a home inspection, including what is and what is not included in the inspection, will be made available to the public.

There is a provision in the ACLQHI where designations from existing recognized organizations that reflect the DAA standards may become licensed without further review. If accepted, as happened in B.C. and Alberta, the National

Home Inspector (NHI) issued by the National Home Inspection Certification Council, and the Registered Home Inspector (RHI) issued by the Ontario Association of Home Inspectors, will likely meet the standard. The respective organizations will have to provide documentation supporting the fact that their top standard meets the new Ontario regulations, as outlined by the DAA.

Each and every home inspector who does not hold an approved designation will be subject to an individual review of their experience, education and background by the DAA, which can require additional education or training before a license will be granted. Professional qualifications, along with the "Entry to Practice," requirements will utilize the National Occupational Standard.

In regard to the entry process for new inspectors, it is expected to be rigorous. As well as having a criminal background check, they will have to pass a proctored, written examination, complete a field test and meet established experience requirements. The panel did not feel that mandatory education should be required. The experience portion will have some parameters and extensive knowledge of the building process will be a major factor. The transition period is expected to be 18 months and, in that time, every home inspector will have to meet the qualifications. If it holds true in Ontario, as was the case in British Columbia, the ranks of home inspectors were thinning out by over 50% as many realized they would never make the cut or weren't interested enough to make the effort.

A major portion of the 35 recommendations outlines the consumer protection provisions within the DAA mandate. The DAA will make available a web based registry that lists the home inspector by name and area of service. There is expected to be a discipline committee within the DAA. They will process complaints through a discipline process and the registry will publish final disciplinary action against individual home inspectors.

One of the major failures in the system today is a lack of required insurance. Based upon information I have been provided with, less than a 1/3 of home inspectors currently carry both liability and errors and omission insurance. Both will now be required. This is another provision that may well thin out some of the ranks. Insurance companies will simply not want to take on the risk of a home inspector who has a track record of lawsuits against him/her.

Another area that will be addressed is contracts and reporting systems. Right now, I am aware of no less than five different reporting systems and any number of service contracts. Once the DAA is established, every home inspector will have to use the same contract or a contract that contains all of the required provisions.

The reporting system will have to contain all of the requirements of the standard of practice and a complete listing of recommendations. As well, the inspection report must be received by the client within a specified time period.

While this column touches on some of the more significant areas of the recommendations, the actual ACLQHI document runs 57 pages. The full document outlines the entire process, is well researched and recognizes the importance of licensing this, currently, unregulated industry. Once this licensing is in place, Ontario homebuyers will be well served.

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