

Home inspections questions and answers

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It is a documented fact that a homebuyer who uses an experienced, skilled home inspector gains a wealth of knowledge on their prospective home, including in a few instances the information to understand when it's time to walk away. However, of all the professionals involved in the purchase of a home, the only one in Ontario that has no governance is the home inspection industry. Ontario is in the process of changing this.

IS ONTARIO GETTING LICENSING RIGHT?

British Columbia and Alberta proceeded to license this industry a few years ago and they made some costly mistakes. I interviewed a number of home inspectors in, BC, Alberta and Ontario for this column. In BC, Vince Brunett is a former board member for both the BC Association HIABC and the National Home Inspection Certification Council (NHICC). He commented that the initial legislation was structured with the regional associations in control. This was a fiasco, one approved association did a weekend approval and processed 40-50 "inspectors" so they could get in under the wire. Today BC is in the process of taking it back the process at great expense and now has a government agency overseeing licensing.

Alberta was even worse, they got sold on a process, mostly by the internet associations to let nearly everyone in. Today they are doing the same, at considerable taxpayers cost, restructuring. Wayne Fulton, National Director with the NHICC told me he was in a government meeting in Alberta with 5 Service Alberta officials where they claimed they had done their homework, only to find out that the CMHC/NHICC program was ignored, due to the impact of the internet home inspectors lobbying. Wayne commented they realized they made a huge mistake but claimed it was too late to change the legislation, I understand they seriously regret that decision now.

At the recent American Society of Home Inspectors convention in Florida, Joseph W Denneler, one of the most recognized lawyers in the United States with respect to litigation of home inspectors, was quoted "many states have lowered the bar by allowing the easy path associations to be recognized which really can be detrimental to consumer protection" He went on to say "licensing is leveling the field of home inspectors..(who are) .. finally being recognized as professionals".

Fortunately, it appears that Ontario has done its homework, the research done and the document "A closer look; Home Inspection in Ontario" (CLHIO) is the result of an independent panel of experts who presented a proper process for licensing. The licensing will function under a government administrative authority.

WHO DO I HIRE AS A HOME INSPECTOR RIGHT NOW?

During my interview with Wayne Fulton he commented that he understood in British Columbia there were around 600 home inspectors before licensing, once the curtain came down, less than 300 remained. In chatting with Vince, he stated he could not confirm some of the rumors of discount inspections, quick walk-thru's and a market flooded with coupons for "X" dollars off, but he did hear it happened. Wayne commented that it was known that the "internet" HI

associations lobbied their way in for practically everyone to be licensed in both western provinces, a mistake many US states also made according to Attorney Joseph Denneler. Brian Callahan, an Ottawa home inspector and past OAHI director and chair of the Ottawa OAHI Branch simply told me "most of the inspectors I see at meetings are scared, wondering how they can get around the coming licensing"

This year, with introduction of licensing expected by January 2019, it is conceivably that the time period is now where those that realize they are not going to make the cut or simply don't want to be bothered upgrading, is a realization. Are they going to follow a similar path of discounts, "quickie" inspections and a walk-thru inspection with no written report, only time will tell but based upon the history out west, it's almost a sure thing.

The CLHIO on page 52 clearly states "Home inspectors with the designations that reflect the licensing requirements of the new regulatory body and are approved by the regulatory body should become licensed without further review" Based upon my review of the CLHIO, there are only two organizations right now that fit the expected standard. They are the NHICC top certification NHI and the Ontario Association of Home Inspectors RHI.

There is expected to be a period of transition where examination and additional education/training will be offered to those that do not meet the standard, so that no one is forced out of business. However if the results in BC are any indication, there is going to be a lot of home inspection phone numbers that say "This number has been disconnected" come 2019.

Recommendation #1: when you hire an inspector, for now, insist they are an NHI or an RHI. You stand a 99.9% chance that they will be around once the licensing is enacted.

IS YOUR HOME INSPECTOR "PROPERLY" INSURED?

I had a long chat with Kim Smith, executive at HUB International on home inspection insurance and she really opened my eyes. Saying you are insured "should" mean you carry both general liability and errors and omissions insurance. I have heard of inspectors who claim insurance, but somehow the costly E&O is not in their policy. Kim commented that she got a number of calls for home inspectors out west during their initiation period who wanted to know if the "quickie" inspections or a "walk-thru" for a reduced fee was covered, the answer was "NO". She also commented that in the hot Toronto market, it dramatically reduced home inspections and the real estate agents are now seeing an increase of law suits from buyers who passed on a home inspection. She also noted that in BC after licensing was enacted, her company did not see an upward spike in claims, a testament to those that remained were competent.

Recommendation #2: confirm your inspector has both kinds of insurance and his policy is current, a binder is produced by all insurance companies as proof they are professional enough to carry the full insurance coverage.

IS YOUR INSPECTION BEING DONE TO THE PROPER STANDARD?

This last step should be one every home inspector in Ontario now knows. In the December 21 consultation paper from the Ministry of Government and Consumer Services it made reference to the Canadian CSA A-770 Home inspection Standard as the expected inspection method. It's a lot more detailed than most other standards, we began using it when it was announced in March of 2016 and find for one inspector, done properly it often takes up to four hours. The days of the 1-2 hour inspection are gone.

Recommendation #3: ask your inspector if he is following the CSA standard, it's expected to be the Ontario standard once licensing arrives and there is no reason not to use a standard that is available now.

If you are buying a home this year a home inspection is always a wise decision, make sure you get what you expect. Every professional who is involved in the home buying process and referring a home inspector should be aware of these issues and properly guide their clients.

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