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The Home Buyer's Guide to Professional Home Inspection

This guide is designed to assist home buyers in making informed decisions regarding the services of professional home inspectors by addressing some of the most frequently asked questions regarding this important service.

What is a professional home inspection?

A professional home inspection is a primarily visual, non-technical evaluation, using normal user controls where applicable, of the visible, safely accessible, and readily accessible systems and components specified in an applicable standard of practice for conditions specified in that standard which, in the knowledge, experience, and opinion of the inspector, are adversely affecting* the normally intended function or operation** of those specified systems and components at the time of the inspection. Such conditions are those which pertain to damage, deterioration, assembly, non-functionality, inoperability, installation, attachment, securing, support, clearances, dimensions, materials, missing parts, and missing components.

The findings developed in the course of a professional home inspection are documented in a written report which is provided to the home buyer and which will typically include the following:

- Identification of the specified systems and components inspected including information which differentiates systems and components from other or similar systems and components by type, materials, energy source, etc.
- A description of any specified conditions which are adversely affecting* the normally intended function or operation** of the specified systems and components
- Recommendations for appropriate action (not specific repair or remediation techniques) to address the documented conditions, i.e., to correct, monitor, or to have the condition(s) evaluated by appropriate qualified individuals or companies
- Identification of any systems and components which were present and not inspected, and the reason such systems and components were not or could not be inspected

* Adversely affecting: With regard to specified a system or component, producing a detrimental effect.

** Normally intended function or operation: The historically and conventionally accepted purpose or use of a system or component and/or the purpose or use for which a system or component is designed by the manufacturer.

The written report may also contain important maintenance and care information to help homeowners protect their investment.

Professional home inspectors put the information developed in the course of the inspection into perspective by providing direction regarding the relative importance of the conditions noted in the written inspection report and recommendations regarding how quickly certain corrective measures should be implemented.

Professional inspectors are impartial third parties; they are not parties to any real estate transaction. Therefore, they do not determine or direct who is responsible for undertaking any corrective measures. To do so would violate their professional code of ethics.

A professional inspector's function is to investigate, report, direct action, and educate. It is not to negotiate or to advise customers regarding what or how to negotiate. In addition, inspectors are not appraisers and are not qualified to provide any opinions regarding the value of any property or the advisability or inadvisability of purchase.

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Why should a home be inspected?

While home is where the heart; it is also a large piece of technology. It is, in a sense, a big machine that performs numerous functions. Its various systems and components keep us dry when it's wet outdoors, warm or cool depending on the season, healthy (by providing sanitary facilities), keep us safe, and provide a place to work, play, study, entertain, and raise families. In order to do all these things, a home's systems and components not only have to function on their own, they must also function together.

A professional home inspection provides valuable information about the condition and operation of these systems and components. It assists buyers in assessing the need for both immediate and preventive maintenance. Very often, a professional home inspector is one of the few individuals in a real estate transaction whose interests are entirely those of the buyer and who enters the home solely on the buyer's behalf.

Do all homes need to be inspected?

Absolutely! Whether buying a home is that is pre-owned or newly constructed, buyers benefit from a thorough, professional home inspection. It is not uncommon to find gas leaks, improper electrical or plumbing work, roof covering issues, or other adverse conditions in even newly constructed homes. While builders may provide some type of warranty on a newly built home, it is better to find and correct conditions before taking possession.

A competent inspection can discover issues with systems in a new home which, during normal use, may not become evident until after the builder's warranty has expired. A buyer is always in a stronger position to get corrective measures performed before the closing rather than after, no matter how comprehensive a warranty might be.

Who are professional home inspectors?

Professional home inspectors are highly educated, trained, and skilled observers and educators who possess broad technical knowledge about the systems and components of a home and the skills necessary to apply that knowledge. At present (2005) about twenty-eight states have some form of regulation of home inspectors ranging from simple registration to extremely restrictive requirements. The majority of the states that have chosen to regulate home inspectors do so through some form of registration or licensing that requires inspectors to meet specific experience and education criteria; to be tested on specific minimum technical knowledge and skills; and to adhere to a standard of practice.

Professional home inspectors are highly skilled interpreters. Homes speak for themselves and a competent inspector knows how to "listen." But it's not enough just to be a skilled listener; a competent home inspector is also a master interpreter who knows how to translate the information the home provides so that buyers clearly understand the information that the inspector has developed in the course of the inspection.

Professional home inspectors do not offer to perform modifications or corrective measures to address any conditions determined in the course of performing an inspection. If a real estate professional or a buyer needs the names of qualified professionals to perform any work, inspectors who choose to provide guidance in this area should provide the names of at least three qualified individuals or companies or suggest using the telephone book Yellow Pages under the appropriate heading.

What qualifications should a professional home inspector have?

Because the home inspection profession is regulated in some states and not in others, home inspectors' credentials will vary. In states that regulate home inspectors, all professional home inspectors should meet all of the requirements of the state in which they perform their work. In states that do not regulate home inspectors, there are other ways for home buyers to identify competent professional home inspectors.

Training and Experience: This may include a state mandated educational program in states that regulate home inspectors as well as an inspector's background in architecture, building trades, engineering, or specific non-mandated educational and training in the field of home inspection. Inspectors may also have "time under their belts" having been self-employed or employed by a home inspection company as a home inspector for a period of time. However, it would be a mistake to assume that a home inspector who is just starting out could not perform a competent home inspection. A well-trained "new" inspector may be just as technically competent, methodical, patient, and careful as an inspector who has been inspecting for a longer time because the new inspector really wants to do a good job and the knowledge and skills he or she have recently learned are still fresh.

Associations: Anyone who has belonged to a professional association knows that membership in a professional association does not automatically equate with competence. What anyone gets out of an association is strictly dependent on the individual. It is important to remember that the primary functions of any professional association are to promote the profession, to protect the association's members, and to educate the association's members. The benefits that accrue to the public can be real and quite useful, but they are secondary to the primary functions that serve the association members.

There are numerous professional associations for home inspectors at the state, national, and international levels. Perhaps the oldest and most widely recognized is the American Society of Home Inspectors (ASHI). ASHI has done a remarkable job of self-promotion but it is by no means the only professional association providing benefits to home inspectors and to the public. There are others such as the National Association of Home Inspectors (NAHI), the National Association of Certified Home Inspectors (NACHI), and the Canadian Association of Home and Property Inspectors (CAHPI) as well as individual state associations such as the California Real Estate Inspection Association (CREIA). Each of these associations has its own membership requirements, continuing education requirements, standard of professional practice, and code of ethics.

Of these membership requirements, standards and codes of ethics are the most important. Standards of professional practice provide minimum requirements and guidelines that association members are to follow in the performance of home inspections as well as both general and specific limitations and exclusions for inspections. Codes of ethics outline and delineate a member's ethical duties and obligations to customers and to the public. It is important to note that the standards of professional practice and the codes of ethics of virtually every professional home inspector association as well as those adopted under individual state regulatory requirements are, with only minor differences, identical.

Therefore, if professional home inspectors state in their promotional materials and inspection contract that their inspections are performed in accordance with any one of these standards of professional practice and codes of ethics, then they are meeting the same inspection standards of most states and professional associations regardless of whether or not they belong to a professional association.

There are other professional associations to which some professional home inspectors belong such as the International Code Council (ICC), the International Association of Electrical Inspectors (IAEI), the International Association of Plumbing and Mechanical Officials (IAPMO), and the National Fire Protection Association (NFPA). All of these make valuable information and educational programs available to their members. These all directly enhance a professional inspector's knowledge and experience.

In the final analysis, a professional home inspector's credentials are only as good as the inspector. Even membership in multiple associations cannot, by itself, make a poor inspector a good inspector and, conversely, an inspector can be a consummately competent and professional home inspector without belonging to any professional associations.

Home inspectors should be assessed on the basis of a whole picture of the individual inspector, not simply on one or two aspects.

Do inspectors need to be engineers?

The training and experience of professional engineers is necessarily narrow and highly specialized. In many states the governmental agency that regulates the practice of engineering has the power to suspend or revoke the licenses of professional engineers who are found to be performing services beyond their competency, training, or education. This means that engineers cannot provide engineering evaluations of the multiple diverse systems in a home unless they are specifically educated, trained, and experienced in the evaluation of each of those systems.

This does not mean that professional engineers cannot be competent professional home inspectors. It simply means that, unless they meet the criteria outlined above, they cannot claim to be performing an engineering evaluation of all of the systems in a home. While many professional home inspectors have backgrounds in building construction, engineering, or other related fields and they bring their knowledge to bear on their work as inspectors, in the final analysis, all professional home inspectors bring their own unique perspectives, knowledge, training, and skills to every inspection they perform. That is what makes them professionals.

Do inspectors rate homes?

Absolutely not! Every home stands on its own merits. Professional home inspectors do not “rate” homes they inspect and a home cannot not “pass” or “fail” an inspection. Professional home inspectors know that most homes have been lived in. Normal wear and tear and even some deferred maintenance are to be expected. Professional inspectors don’t “rate” or “grade” homes on an arbitrary scale or against some ideal standard of condition or maintenance. All homes “speak for themselves;” it takes a competent professional inspector to know how and for what to listen.

What about cosmetic conditions?

Other than when inspecting newly constructed homes where systems and components are expected to be in “new” condition, professional inspectors typically do not inspect for or report on cosmetic conditions such as torn screens, minor paint chipping, dented door knobs, or other conditions of normal wear and tear. Remember, inspectors are working under both time and cost constraints. If they spent the valuable time for which a buyer is paying to look for cosmetic conditions, they would have less time to inspect the major systems of a home for more important and potentially costly conditions.

Do inspectors provide cost estimates for corrective work?

Generally, they do not. It is not the job of inspectors to provide cost estimates for work which will be performed by other qualified individuals or companies. Some inspectors who have enough experience may choose to verbally discuss “ballpark” cost ranges for certain work with which they are familiar, but even general contractors use professional estimating guides and obtain competitive bids before providing the costs associated with specific work. When buyers ask inspectors to provide costs, they are asking inspectors to place a value on another individual’s or company’s labor and materials. In some instances, additional and unanticipated costs may arise from previously hidden conditions which are discovered in the course of performing corrective work.

Should buyers attend inspections?

Yes, buyers are encouraged to meet with the inspector at the home inspection. It is important to dress appropriately and to bring a clipboard or other sturdy writing surface, a writing pad, and a pen to take maintenance notes during the inspection.

To ensure that buyers get the full benefit of the inspection requires that they give the inspector their undivided attention. A professional inspection is not a place for small children or for conducting other business such as reviewing or signing loan, title, insurance, or other real estate related documents, reviewing operational instructions for security systems, meeting with contractors or estimators, or for conducting negotiations based on the results of the inspection.

A professional inspector is responsible for the home when the occupants are not present. Typically, when an inspection is complete, buyers should be prepared to leave with the inspector. All parties must leave the home at the conclusion of the inspection unless the inspector has specific instructions to the contrary from the seller, occupants, or appropriate real estate professional.

Are previous inspection reports reliable?

Typically, they are not. Previous inspection reports are not reliable sources of information not only because they have been performed for other parties, but also because they often do not contain current information. Conditions may have dramatically changed since a previous inspection was conducted. Buyers should always have a professional inspection performed specifically on their behalf. Only in this way can buyers be assured that they are receiving information on the current condition of the home and its systems and only in this way can they receive the advantage of maintenance and care information that is provided specifically for them. In addition, most inspection company contracts state that the inspection is for the exclusive use of the company’s customer and is a non-transferable document.

Is a home inspection a warranty?

A professional home inspection is an examination for and documentation of specific systems and components for specific conditions which are adversely affecting the normally intended function or operation of the systems and components inspected. It is intended to develop information which can become part of an overall risk reduction and risk management plan.

A warranty is a pledge made by the original manufacturer of a product to repair, replace, or correct specific deficiencies in their product if such deficiencies occur within a stated period of time. It can also be a pledge made by the provider of a service to perform that service in a specified manner.

The term “warranty” is often confused with insurance plans offered for sale to home buyers. In order to avoid confusion, the term “insurance” is used here when discussing “home buyers’ warranties.”

Such insurance typically covers certain components or occurrences and contains deductibles and disclaimers regarding the items covered. Typically, a fee is paid by the insurance company to the individual or company that offers these home “warranty” policies. Therefore, if an inspector offers to sell a buyer such insurance, that inspector is working for someone in addition to the buyer and is no longer a disinterested third party. There is an old saying that no one can serve two masters – and inspectors are no different. Professional home inspectors do not offer such products or services.

If buyers desire the kind of insurance that these plans or policies provide, they should consult their real estate professional or insurance agent and should carefully read any such policies to be certain that they meet their specific needs.

What about “warranties/certifications” at no additional cost?

The easiest way to answer this question is to ask yourself, “When was the last time I got something for nothing?” Such warranties and certifications are primarily marketing devices. When read carefully, they often provide little or no protection. Typically, inspectors offering these will not certify a component unless they are absolutely certain that, given the age and condition of the component, no conditions (outside of the conditions they specifically disclaim) could possibly occur.

Whenever speaking with inspectors who sell insurance or provide “free” certification programs, ask them about their loss ratios as well as their reserves for claims and request documentation of such information before considering engaging their services.

Should home inspection companies provide any guarantee?

Yes. They should guarantee that they will perform their inspections in accordance both with a specific standard of professional practice and the terms and conditions of their written inspection agreement and scope of work. Because professional inspectors cannot predict the future, they should not be expected to provide any guarantees regarding the continued performance of or the efficiency of any system or component inspected or conditions which are not visible or which are not able to be determined in the course of the inspection.

Professional home inspectors are to houses what doctors who perform general physical examinations are to patients. They perform general examinations and recommend further examinations and evaluations by specialists when they believe that it is necessary to do so. Neither a doctor nor a professional home inspector can guarantee that they have “found everything” in the course of performing their respective work and they cannot and are not expected to predict the future. Both are highly trained and skilled professionals who do the best that is possible within the scope and limits which define their work. That is all anyone can or should expect or ask of either.

Why are specific items excluded in inspection contracts?

It is not uncommon for professional home inspectors to specifically exclude inspection of items such as swimming pools, hot tubs, household appliances (kitchen appliances, central vacuum systems, etc.) active and passive solar space heating and domestic hot water heating systems, lawn sprinkler systems, intrusion detection and alarm systems, and fire and smoke detection and suppression systems. Typically, they also specifically exclude services such as inspection for or testing for lead and asbestos as well as other environmental inspections or testing. All standards of practice for professional home inspection exclude such items and services.

This is not because professional inspectors are not competent and qualified to inspect such items or perform such services. Rather, it is because competent inspection of these items and performance of these services requires significant additional time and highly specialized training. Some services such as pest infestation inspection and treatment require specific governmental licenses and mandated training.

A thorough and competent visual inspection of the visible, safely accessible and readily accessible components of a swimming pool for conditions which are adversely affecting their normally intended function or operation may require as much as 1½ to 2 hours with fees starting at \$100.00 per hour. In addition, some systems such as lawn sprinkler systems and swimming pools may be deactivated for extended periods of time.

Some professional home inspectors may choose to include certain items or services that are typically excluded in standards of practice and others may offer inspection of specifically excluded items under separate contract or they will direct buyers to individuals or companies qualified to perform such services.

If inspectors were to spend the additional time required to perform a thorough and competent inspection of typically excluded systems, they would have less time to inspect the major systems of a home for more important and potentially costly conditions unless they significantly increased their fees. If buyers desire information regarding the condition of excluded systems as well as specific operation and maintenance information, it is more cost effective for them to engage the services of the individuals or companies that have been servicing and maintaining such systems for the current occupants.

While many professional inspectors maintain liberal follow-up policies regarding telephone or in-office consultation with customers after inspections, reinspection of corrective measures resulting from information developed during inspections is typically not offered. This is because qualified individuals or companies are expected to evaluate the conditions noted in the inspection report and make any appropriate and necessary corrections in accordance with all applicable industry standards and governmental codes, ordinances, and regulations.

What about systems that are shut off or de-energized at the time of the inspection?

Professional home inspectors will not turn on or restore service to any system that is shut off or not in service at the time of the inspection. Inspectors will not light standing pilot lights, energize electrical circuits that are shut off or out of service, or operate any water or gas in-line shut off valves. In order to inspect the plumbing, heating, cooling, and electrical systems of a home, the electrical service, water service, gas service and the components served by these utilities must be on and operational at the time of the inspection.

What about systems or components that cannot be inspected due to inaccessibility or unsafe conditions?

Professional home inspectors perform their inspections under limitations of safe and ready accessibility of the systems and components they inspect. If inspection of any systems or components is obstructed or limited by the presence of personal property, pets, or due to weather or any other conditions of inaccessibility, or if, solely in the professional opinion of the inspector, it is not safe to inspect any systems or components, then those systems or components will not be inspected. The inspection report will identify any such systems or components, describe the unsafe conditions or the specific conditions that limited accessibility, and will state that they were not inspected due to unsafe conditions or due to inaccessibility.

How do I arrange for a professional home inspection?

The easiest part of arranging for a home inspection is contacting the inspection company. Once you have scheduled your inspection, the inspection company will contact the necessary parties to coordinate the inspection with them.

Contact the inspection company to schedule your inspection as soon as possible after acceptance of your offer to purchase the home in order to give both you and your inspector maximum flexibility in scheduling. During periods of heavy real estate activity, it is not unusual for inspection companies such as ours to be “booked up” as far as seven days in advance.

Once you have agreed on the appointed inspection date and time, it is imperative that you honor your commitment to your appointment. After all, by making your appointment, your inspector has committed that valuable time period to you and, in busy times, it may not be possible to reschedule your inspection.

What about inspection report formats?

There is no one “right” inspection report format. Some professional home inspectors produce a report in a checklist with narrative format while other inspectors produce computer-generated reports. Any inspection report should reflect that the inspection has been performed in accordance with a standard of professional practice and should cover all of the components and conditions present in the home and listed for inspection in that standard with in the limitations set forth in the standard and in the inspection contract. Reports should be user-friendly, that is, they should be easy to read and understand. The information should be well-arranged, clear, provide perspective, and any recommendations should be clear and direct.

While some reports may also include a summary, it is extremely important that buyers not read just the summary but that they read the entire report before making any decisions that may be affected by the information contained in the report. Only by reading the entire report can they get the full benefit of the inspection and report.

What about payment?

While the forms of payment inspection companies accept vary among inspection firms, payment is typically due upon completion of the inspection. In order to maintain their position as impartial third parties with no ties to the sale of the properties they inspect, most inspection companies do not defer payment until the closing of the real estate transaction or of escrow. When payment for the inspection is, in any way, contingent on the closing, it creates the appearance of a potential conflict of interest for the inspection company. In addition, most inspection companies are small businesses that do not want to increase their costs by having to “chase” accounts due. Such costs would have to be passed on to their customers in the form of higher inspection fees.