

“Home Inspections - Ten things you need to know”©

Written by Gregory J. Bertaux, PE, CIEC, MRSA, HI, CPO, ACI, BRK
Licensed Professional Engineer, Home Inspector, and Real Estate Broker
Visit: www.IMHomeInspector.com

1. Never Accept a Referral for a Home Inspector From Your Real Estate Agent.

Think about it; would you ever allow a used car salesman to tell you who should inspect the car he is selling to you? Yet, the exact same conflict of interest exists between every buyer and their real estate agent. He/she is focused on making a sales commission, and the bigger the commission the greater the conflict of interest. Even if your agent wants to be your best friend, smiles, and gives you a list of three inspectors, you are not safe. In Indian River County alone there are more than 50 “licensed” home inspectors. Believe me, the three inspectors on your agent’s list, especially the one on the top, are working for the agent, not you. When your agent says “*we use him all the time*” and “*he is the best*”, they mean “best” at giving a simple inspection that ensures a sales commission. **This is the biggest dirty little secret in real estate.** It is absolutely true and very unfortunate.

But think of the pressure; agents spend thousands of dollars in advertising, thousands on offices and vehicles, hundreds of hours arranging showings, negotiating contracts, working with sellers, lawyers, other agents, title companies, licensing and continuing education, and each needs to make house payments, car payments, fees for medical care, children, schooling, daily bills, etc... Now, do you really think after months of working for a client and no income, they are going to risk a commission at the end of the process by referring you to a skillful, knowledgeable, honest inspector who will identify problems that can cause you to cancel your contract and spoil their commission and income?

On the same topic, did you know that after mortgage crisis in 2008, our US congress finally woke up and made it *illegal* for mortgage lenders to refer property appraisers. Before that, every appraiser was beholden to mortgage brokers for referrals. In exchange, every appraiser made sure their “appraisal” met the contracted sales price so the lender could approve the loan and earn a commission on the mortgage. And what happened? House values kept going up and up until it all collapsed. **Unfortunately, when congress made it illegal for mortgage lenders to refer appraiser, they failed to stop real estate agents from referring home inspectors.** This leaves many buyers stuck with homes they wish they never bought; full of Chinese Drywall, mold, water intrusion, termites, shoddy construction, and failed permits; all due to poor quality inspections. (Be sure to watch “Holmes on Homes” on cable TV – it’s the exact same issue that causes home owners to buy miserable houses - in every episode.)

Be sure your real estate agent is working exclusively for you. In Florida, there are two different representation agreements that a real estate agent is permitted to work under; either a “*Transaction Broker*” or “*Single Agent*” agreement. **BEWARE**; if your agent had you sign a “Transaction Broker” relationship agreement (check your documents right now or email your agent to verify), it means he/she is NOT required to be Loyal, Confidential, Obedient, or provide Full Disclosure to you. Yes! It’s true and it’s legal! **This is the second biggest dirty little secret in real estate.** Only the “**Single Agent**” representation agreement legally requires your agent to serve you with “Loyalty, Confidentiality, Obedience, and Full Disclosure”. Now, carry this thought further, if your agent wants to work for you as a “transaction broker”, do you really think they will refer you to a quality professional home inspector? Never. Now you see how it all ties together, and you must research and hire your own home inspector to get a quality, meaningful inspection that reveals the real truth about a home’s condition.

2. A Home Inspector License in Florida means NOTHING!

The new (2011) licensing law for home inspectors has thrown the industry completely out of control by allowing anyone to get a Home Inspector (HI) license. It only requires an on-line class and a test. **No high school diploma or experience is required to get the license.** And, now there are more than 50 licensed “home inspectors” serving just the Vero Beach area. The rule “buyer beware”, has never been more important. For a meaningful, quality inspection, only hire an inspector who is an

American Society of Home Inspectors (ASHI) “Certified Inspector” (ACI). Visit www.ASHI.org, and see item #4 below.

Checklist for hiring a professional home inspector:

- a) Verify they are an ASHI Certified Inspector, not just an associate - visit www.ASHI.org
- b) Confirm NO unlicensed “assistant” used in your inspection, it’s illegal and your getting cheated
- c) If mold services offered, verify inspectors Mold Services license (and not subcontracted to other)
- d) Confirm he is not a franchise owner or employee
- e) Confirm he is an authorized termite (WDO) inspector (not subcontracted to others)
- f) Confirm he is an authorized Wind inspector (not subcontracted to others)
- g) Confirm he is a certified pool inspector (not subcontracted to others)
- h) Confirm he provides narrative electronic report with color photographs within 48 hours.

3. Never Hire a Home Inspector Based on a Low Price.

Unfortunately, many buyers think home inspections are a commodity, like buying a gallon of gasoline, and they will save money by choosing a low-price inspector. The premise is entirely false. Cheap inspectors do terrible work. They are not properly trained to identify defects, they offer services for which they are not licensed, and typically use “unlicensed” assistants to run through a house. Most agents love to refer cheap inspectors for those reason to ensure they get a sales commission. The cheap inspector writes a report while they are at the house, instead of actually inspecting. Believe me, it is very easy to make a report that “looks” pretty but is full of holes and oversights.

4. Hire Only an ASHI Certified Inspector (ACI)

Home inspectors who are “Certified Inspectors” by the American Society of Home Inspectors are legally bound by a rigorous set of Standards and Code of Ethics to protect you, the buyer. They must place a client’s interest first. Inspections must be thorough and meet a rigorous set of standards, reports must be detailed, complete, and kept confidential for you the buyer. Every professional, serious, full-time home inspector is an ASHI-ACI. **Go to www.ASHI.org** to find a quality inspector, and only hire one who has the **ACI credential**, not just an associate or member. ASHI is the only state and national, not-for-profit organization with third-party, independent confirmation of experience, knowledge, and training. And, it is the only organization in the entire U.S. with an accredited certification that is ISO compliant. Beware of the alphabet soup of credential that can be purchased over the internet: NACHI, FABI, NAHI, NABI, etc.... For a fee, they all issue a “certification”. I know, initially, I was a member of almost all of the organizations. Don’t get baffled by acronyms.

5. Confirm Your Home Inspector Carries Mandated Insurance

By law, every home inspector must be insured for at least \$300,000 for errors & omissions and general liability for “Home Inspections”. Be sure to confirm this with your potential inspector and **be sure their insurance policy actually lists coverage for “Home Inspections”**, and not something else like construction, roofing, painting, or other types of contracting. If an inspector balks at your request or fails to provide a copy of their insurance certificate to you, then you know they do not have insurance coverage. It is a huge risk to you if your inspector is not properly insured. According to Florida law and the text of every real estate purchase contracts; **“buyer is responsible for the actions of the home inspector they hire”**. If your inspector gets electrocuted, injured, or causes damage to a home, you are liable! Be sure the inspector you hire is not only insured for home inspections, but also each of these additional specific services, which every insurance policy disclaims unless listed specifically as an added coverage:

Home inspections	Mold assessment	Termite inspections
Pools & spas	Lead	Septic systems
Code compliance	Wind mitigation	Referring parties
Seawalls/bulkheads	Piers/docks	

6. Avoid Franchise Inspectors

Do not hire a franchise person for your inspection. In the U.S. there are dozens of companies that offer “home inspection” franchises. The price for a franchise ranges from five to thirty-thousand dollars; most are around \$15,000. The sole objective of those companies is to make money selling franchises, not ensuring owners are competent. Avoid being a victim; be sure you verify the name and speak with the person who will actually provide your inspection. Be sure to talk with him directly before signing any inspection agreement. Confirm their ASHI-ACI certification, experience, and insurance.

7. Confirm Authorization to Provide Termite (WDO) Inspections

Florida law requires every termite inspector to be an employee of a Certified Pest Control Operator (CPCO) that is a Licensed Pesticide Applicator, and to carry a state issued I.D. card with them during every inspection. Always ask to see it. Also, there is no such thing as a “termite inspector license”. Inspectors must have authorization from the State Department of Agriculture, Bureau of Entomology verifiable by a “JE” identification card, not a license. Be sure your inspector has the ID card if they offer you a termite inspection. Otherwise, they will farm out the job to someone else who may try to say there is a problem, then he wants to sell you \$2000 worth of unnecessary treatments.

8. Verify Qualifications for Pool & Wind Inspections

There is no state law or regulation that defines who may or may not inspect residential pool bodies or that states what must be included as part of a pool inspection. Most home inspectors have no idea what to look for or how to interpret various issues, like shell/deck cracks, safety requirements, primary drain hazards, filter conditions, etc... For a meaningful pool inspection, be sure to only hire a trained professional who is certified, knowledgeable and insured for pool inspections. At a minimum, your pool inspector should be a Certified Pool Operator (CPO), or a state licensed pool contractor/builder, or a degreed engineer.

The requirements by the state of Florida for wind inspections, also known as Wind Mitigation Verification Inspections or WMVI, changed dramatically April, 2012. The technical requirements for the inspection are now much more demanding, require photographic evidence of findings, and may only be conducted by very select and professionally trained and certified individuals. The inspection requires special training and specialized tools. A wind inspection is only valid if conducted by a licensed Professional Engineer (P.E.), registered architect (AIA), Licensed General Contractor (GC), or certified wind inspector. **Only hire a properly licensed and insured wind inspector and verify their inspection insurance specifically lists and includes “code inspections” and/or “wind mitigation”.**

9. Mold Testing Requires a “Mold Assessor” License

In Florida, any person offering mold related services, or claiming to have any credential related to indoor environmental services, must be licensed by the state for mold related services. There are two types of licenses; one for “Mold Related Services – Assessor” (MRSA), and one for “Mold Related Services – Remediator” (MRSR). The different licenses exist because anyone who performs mold assessments is not allowed to provide mold remediation, and anyone who performs mold remediation is not allowed to perform mold assessments. You do not want the person who conducts your mold assessment and whom you are trusting to determine if you have a mold problem to turn around and profit from you by stating you need remediation services for thousands of more dollars. This creates a huge conflict of interest, is entirely unethical, and is illegal. Unfortunately, that’s what can happen if you are uninformed or do not hire a mold assessor first.

Be sure any person or company you consider for mold testing has an active MRSA license (mold assessor), and is insured for at least one million (\$1,000,000) dollars, as required by law. It is very expensive and hard to establish. Be sure to verify that the actual license holder conducts your inspection, not an assistant. To verify a license, go to <http://www.myfloridalicense.com/dbpr>

10. Verify Quality of Reports

Second in importance, only to a home inspector's knowledge and experience, is the quality of the written report a home inspector provides their client. Before you hire a home inspector, request a copy of a sample report. A high-quality, professional report should be narrative (not a check list), comprehensive, and include all findings with color photographs. A quality inspection generally takes two hours of actual inspecting; testing utilities, hiking around a ladder, climbing on the roof and through the attic, etc... If your inspector compiles your report "on-site", they are not inspecting and are not doing quality work. Professional inspectors provide a digital report via email by the end of the next business day. A typical single-family home will have a report that is about 30 pages in length including a summary of key items, color photographs, and an index. Also, a quality inspector will make themselves available for follow-up questions and phone calls.

For your consideration; qualifications of Greg Bertaux, PE, MRSA, MRSR, CIEC, ACI, HI, CPO, ASME, CAM, BK, RPI, WMI

1. College Graduate, B.S. Mechanical Engineering, Marquette University 1986
2. Licensed FL Professional Engineer, P.E. #66843
3. ASHI "Certified Inspector" (ACI #247094, the gold standard for home inspectors)
4. 25+ years design, construction, code, inspection experience
5. Member American Society of Mechanical Engineers, ASME#94318
6. Former Florida Realtor, and licensed real estate Broker, BK#3195421 (not in practice)
7. Licensed Home Inspector, HI366
8. Licensed Mold Assessor, MRSA102 (highest professional license)
9. Certified Indoor Environmental Consultant CIEC #1101011 (highest credential available)
10. State authorized DC WDO (termite) inspector, JE156300
11. State authorized wind mitigation inspector, PE licensed
12. Certified Pool Operator CPO #32-242910 National Swimming Pool Foundation
13. Registered Professional Inspector by the Florida Association of Building Inspectors, RPI #0707
14. Licensed Community Association Manager for condo inspections, CAM31609)

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