



Highlights: Home Inspectors

Home buyers hire inspectors to learn about needed or soon-to-be-needed expensive repairs. But how thorough and helpful are the inspections? Undercover shoppers at *Bay Area Consumers' Checkbook* (www.checkbook.org) rented a typical three-bedroom, three-bath, two-story, single-family house and—posing as prospective buyers—scheduled home inspections with 12 companies to put inspectors to the test. In addition to sharing the results from its investigation, Checkbook details how to find a good inspector, what to check on your own, and what to do if you discover problems. Highlights from Checkbook's report:

The Report Card

- Checkbook's undercover shoppers were astonished by how often many of the inspectors they hired missed obvious defects. Prior to the inspections, Checkbook staff identified or created 28 problems they thought any inspector should catch—from a big leak under the kitchen sink, to inactive electrical outlets, to roof damage, to signs of a rodent infestation. As a group, inspectors caught these problems only half the time.
- But what really surprised Checkbook's staff was how little work many inspectors bothered to do for their average fee of \$540. Few performed up-close inspections of the roof; several didn't test all the windows, outlets, appliances, or fixtures; and the reports supplied by some were meager. For example:
 - Only three inspectors raised ladders to inspect the roof, which was significantly damaged. Many of the non-climbers failed to report its broken shingles and missing drip edges.
 - Only about half bothered to test the windows by opening and shutting all of them.
 - Several did only cursory inspections of the furnace and water heater.
 - Five didn't inspect all the window A/C units. Only three checked the filters, which were filthy.
 - Seven didn't check every light fixture.
 - Four didn't bother to test every indoor electrical outlet.
 - An astounding four inspectors failed to record obvious water damage to the living room ceiling. All they had to do was look up to see discoloration and peeling paint.
 - While many home inspection companies disavow responsibility for inspecting chimneys, it was still surprising that four failed to spot that the damper was missing.
 - Three inspectors were in and out in 90 minutes, compared to 2.5 hours or longer for a few others.
 - The written reports supplied by several inspectors were very short, some filled with uninterpretable codes. One handed off a 10-pager with no pictures. Another provided a way-too-brief 14-page report that noted only 20 problems.
 - One inspector recorded no information about the plumbing system, noting that he "Can't evaluate plumbing because the home is not presently inhabited."
- A major reason for superficial inspections is many inspectors explicitly deny responsibility for checking lots of major home components. Many companies refuse to check chimneys, climb ladders, or enter crawl spaces. Citing "industry standards," some firms test only some electrical outlets, light fixtures, and windows. Some inspectors won't run HVAC equipment, remove panels on circuit-breaker boxes, or test water heaters. Checkbook's staffers kept wondering, "Well then, if they won't do all those checks, then what are they doing for their fees?"

Hiring an Inspector

- Before you hire an inspector, ask what exactly they'll do and how long it will take them to do it. Already have a concern about the home? Make sure your inspector will check it.

- Look at customer reviews of home inspectors at Checkbook.org. When going through these ratings, know they are grouped by company. The quality of inspectors can vary at companies employing multiple workers.
- Often, real estate agents recommend home inspectors. But the interests of the best (pickiest) home inspectors work against those of even trustworthy real estate agents, who want to avoid trouble and close sales. Your agent might refrain from recommending a zealous inspector who might delay or even kill the deal—but you want that picky inspector.
- Worse, inspectors who get a lot of referrals from your real estate agent might shy away from pointing out lots of problems or major flaws for fear of losing that business. Checkbook recommends finding your own inspector to get an expert who is loyal to you, not your real estate agent.
- Ask prospective inspectors about certifications they hold and inquire about their backgrounds. This is a field where experience matters. And because Checkbook found big price differences among companies, and little relationship between work quality and fees, make sure you don't overpay for an inspection.
- If you're buying a newly built home, definitely get an inspection. Inspectors and real estate agents we spoke with repeatedly warned that builders (and DIY remodelers) frequently create lots of defects.

Tips for Your Home Inspection

- You'll learn a lot about your potential abode during the inspection. In addition to looking for and pointing out problems, most inspectors use the session to educate their clients on basic maintenance tasks.
- Before your inspection, review any disclosures, check the property on your own, and ask the seller lots of questions.
 - California law requires sellers to completely disclose to buyers all known problems about their homes. These issues are detailed in a lengthy "Transfer Disclosure Statement" covering topics from known roof leaks to the age and condition of each appliance to existing structural damage to knowledge about mold, asbestos, easement disputes, radon, and even noise complaints.
 - Sellers must also fill out and provide a "Natural Hazard Disclosure Report," which poses several yes/no questions regarding whether their homes are located in a designated hazard area for floods, wildfires, or dam inundation, or located in an earthquake fault zone.
 - Additional disclosure statements are required if a home is in an "airport influence area," has high exposure to radon gas, or located in a special study zone, or if there are some types of liens that must be satisfied at closing.
- Try some things yourself—switches, operation of window treatments, doors, etc.—and speak up if you see something that doesn't look right. Act as an extra set of eyes, but don't disrupt your inspector's workflow.
- Make sure all problems found are recorded in your report with pictures and descriptions. If you later find something was omitted from the report, ask for an amendment, especially if you want the sellers to help pay for the fix.
- Most general home inspectors don't check for many problems, including some that might generate major expense—such as asbestos, urea formaldehyde foam insulation, radon gas, mold, termites, and defective drywall or stucco. If you or your inspector suspect a problem with any of these—or a major issue with roofing, plumbing, electrical, or drainage—bring in a specialist for a second opinion.
- Keep in mind that in addition to missing (sometimes obvious) problems, even great home inspectors might accidentally identify non-existent defects.

Checkbook's editors are available for interviews. Please contact Jamie Lettis at 202-454-3006 or jlettis@checkbook.org to schedule.

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