

"Avoid the Money Pit"

by
James Jagger
Pres. Buckeye Home inspections

revised Feb., 2005

Don't fall into a "Money Pit." The intelligent and sensitive individuals portrayed by Tom Hanks and Shelly Long in their popular film "The Money Pit" would have benefitted from a pre-purchase general inspection.

The purchase of a home represents the largest single investment most Americans make in their lifetime. People still tend to "buy on impulse," basing their selection on the aesthetic or emotional appeal of the house, rather than a knowledge of its physical condition.

A potential residence certainly must "feel good." A home is more than a collection of lumber, pipes and wires. It has a soul or spirit. It is a place to spend a substantial portion of one's life, raise children, celebrate holidays and life's victories and finally grow old.

The mechanical systems of a residence (heating, plumbing, electrical, etc.) and structural components (roof, walls and foundation, etc.) are only a small part of the overall picture when one is purchasing a home. However, if the condition of the mechanical + structural components is not satisfactory, full enjoyment of a residence will be difficult. For example, it is difficult to enjoy a romantic evening in your spa tub if the hot water tank is not working and the pipes are leaking.

The key to not having your "dream home" turn into a "nightmare" because of substandard mechanical and structural components in the residence is to invest in a pre-purchase general inspection.

A pre-purchase general inspection is a visual examination of the major mechanical systems such as (plumbing, heating, electrical systems) and structural components (foundation, basement, walls, roof, etc) components of a home to determine the existence of discoverable major or serious defects or deficiencies.

Work with your Realtor®. Find a home that you meets your needs. Obtain a signed purchase agreement then, call an a qualified, professional inspector.

To locate a qualified professional home inspector, **Work with your Realtor®.** Ask your Realtor® to recommend a certified member of the American Society of Home Inspectors

(ASHI®). As the leading professional association for home inspectors, this group has established the internationally recognized standard of performance for home inspections - the ASHI® Standards of Practice. It also promotes a strict code of ethics. Only inspectors who have met demanding qualifications may be ASHI® certified-the buyer's best assurance of professionalism.

Inspection fees in the Greater Cleveland area for an "average residence" (3 bedrooms 1.5 baths) average around \$250 to \$300.00. The buyer selects the inspector and pays the fee. The inspector is a paid professional who is obligated to work in the best interest of his/her client.

It is customary for the buyer to accompany the inspector on the inspection. A buyer will get more benefit from the inspection if he/she is present to actually see what the inspector is discussing in the report. The inspection report should be a permanent report presented in a clear, easy-to-use format. Some inspectors use an audiotaped recording, some use checklists, and others use written (narrative) reports. Regardless of format, the report should describe the actual condition of the home at the time of the inspection based upon visual observations. It should also identify any necessary major repairs.

Inspections do not deal with cosmetic or superficial issues. Inspections are intended only to detect major visible defects in the mechanical/structural systems.

-A quality pre-purchase general inspection takes into consideration the age of the property. Certain wear and tear is normal or "usual and expected". Things that may be a problem in a younger residence (certain types of sagging or cracked wall surfaces) may not be a problem in older residences.

A good inspection will also discuss maintenance issues and familiarize the buyer with the location of important utility components such as main gas and water valve and main electrical disconnecting devices.

A good inspection will also discuss estimated remaining life of components such as the furnace and roof.

BE AN INFORMED BUYER. AN EDUCATED CONSUMER WILL GET THE BEST VALUE FOR HIS/HER \$\$.

You have already considered such issues as school districts, location, price, etc. We offer advice on issues which you may not be able to evaluate such as heating, plumbing, basements, etc.

DON'T FORGET TO ASK THE INSPECTOR QUESTIONS. OUR JOB IS TO GIVE YOU THE INFORMATION IN A MANNER IN WHICH YOU CAN USE IT. THERE IS NO SUCH

THING AS A '**TOO SMALL QUESTION.**' A good inspector will answer you questions in a simple, non-technical manner.

SHOULD YOU ATTEND THE INSPECTION?

It is strongly recommended. By following the inspector, by observing and asking questions, you will learn a great deal about your new home and how to maintain it. This valuable information will serve you for many years after you move in.

-It does not alarm. It informs. THERE IS NO MECHANICAL OR STRUCTURAL PROBLEM THAT CANNOT BE REPAIRED.

CHOOSING AN INSPECTOR-ASHI IS VITAL.

ASHI Is a not-for-profit professional society established in 1976 whose volunteer membership consists of private, fee-paid home inspectors. ASHI's objectives include promotion of excellence within the profession and continual improvement of it's members inspection services to the public.

Explain about ASHI.

Describe what it takes to become an ASHI member.

Discuss requirements for continuing education.

HOW DO YOU SELECT A QUALIFIED PROFESSIONAL HOME INSPECTOR?

Experience, standards, and ethics are the key professional qualifications of a **PROFESSIONAL HOME INSPECTOR**. Don't leave your search to the last minute.

Interview **PROFESSIONAL HOME INSPECTORS** ahead of time so you will be ready to arrange the inspection as soon as you find the right house.

Here are some important questions to ask:

1. Is the inspector a Certified Member of THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI)?

2. How long has the inspector been in business as a **PROFESSIONAL HOME INSPECTOR**?

3. Does the company offer to do any repairs or improvements or make referrals to those who do? Such offers and/or referrals constitute an apparent conflict of interest and would be grounds to reject the inspector.

4. How long will the inspection take? (The average is 2 to 2 1/2 hours).

5. What will it include? (Get the specifics.)

6. What will it cost? (The national *average* is \$250.00).

7. Does the inspection include a permanent report: written, audio taped, video taped, etc?

8. Does the inspector encourage the client to attend the inspection?

The topics we have covered are:

- 1) What is a Pre-purchase home inspection?
- 2) Why do you need one?
- 3) How do you select an inspector

I have a list of certified ASHI members available at my booth.

THANK YOU FOR YOUR PARTICIPATION IN THIS SEMINAR.

Years ago, home buyers had little opportunity to determine the condition of their intended purchase before making a commitment. Very often, families would learn about a home's true condition only after moving in and having to spend thousands of dollars on unanticipated repairs.

Recently, home buyers have been turning more and more to the services of a new professional: the home inspector. For a fee, this house specialist will carefully examine the major systems and components of a home and report to a prospective buyer exactly which, if any, repairs are necessary. The buyer then has the option of (a) requiring the seller to make the repairs or reduce his price, (b) budgeting his or her own finances to accommodate the added expenses, or

-- more --
CONSUMERS PROTECTED BY ASHI -- 2

(c) looking for another house. To ensure these options, however, the buyer must be certain that the sales contract contains a clause that makes the purchase contingent on a satisfactory home inspection.

For a growing number of people buying homes today, the pre-purchase home inspection has become an accepted and essential part of the sales transaction. The professional home inspector, who understands the inner workings of residential construction, offers consumers an expert opinion regarding the condition of a home's major systems and components before the purchase is made.

Yet more and more the home inspection is also being appreciated for its educational value to the home buyer. Many people are moving into their first house, for example, and are inexperienced in the "care and feeding" of a home. Another growing segment of buyers, looking for a tax break as well as a place to live, is single women. Very often, however, they too are unfamiliar with the many steps and methods of home maintenance.

For these and other consumers, the home inspection

provides an excellent opportunity to learn how a house "works," where its various systems are located, and how to live comfortably in their particular new home. This is the main reason a buyer should accompany his or her inspector on the inspection itself, according to the American Society of

-- more --

PRE-PURCHASE HOME INSPECTIONS ... EDUCATION -- 2

Home Inspectors (ASHI), the leading national professional association for home inspectors.

Among the important things to learn, say the ASHI experts, are the locations of the gas and water lines. In the event of an emergency, or if there is remodeling to be done, it is essential to know where these utility lines enter the house and how to shut them off. It is equally critical to know the location of the electric and heat emergency switches.

It is also very important to get a basic understanding of the electrical wiring of the new home, and its capacity. A home inspector can explain the operations of the fuses or circuit breakers, and evaluate whether the existing wiring is safe and adequate to carry the home's electrical load.

In addition, a private home contains many major components not found in apartments, and which might intimidate the first time home owner. These include the central air conditioning and/or heating systems, the water heater, attic fans, humidifiers, septic systems, and the like. Even though many people call in professional tradesmen to handle major repairs, some knowledge of these components is necessary for routine maintenance and troubleshooting, and competently discussing repair work with contractors.

In several areas of the country, wet basements or cellars are a chronic and serious problem. By following the home inspector on his inspection tour, a buyer can learn and discuss the likely causes of water penetration as well as the best methods for solving the problem.

-- more --

PRE-PURCHASE HOME INSPECTIONS ... EDUCATION -- 3

Home buyers must also remember to have their

prospective purchase inspected even if it is brand new. Due to rising labor and material costs, many builders have used shortcuts and inferior products, which can lead to problems later on.

Of course, a trip with the inspector is designed to illustrate the positive aspects of a home as well as the negative. There may be some features -- such as a crack in the basement wall -- which might scare the first-time home buyer into turning down an otherwise satisfactory home. By voicing any concerns to the inspector personally, the buyer may learn that such fears are unwarranted. Cracks, for example, are often simply the result of shrinkage and minor settlement.

An education, however, is only as good as the teacher who provides it, and so the American Society of Home Inspectors cautions buyers to be selective in their search for a home inspector. ASHI is recognized by professional and government groups alike as the leading national association for setting professional and technical standards for the home inspection profession, the ASHI Standards of Practice. Members of ASHI are professional inspectors who have met demanding educational and experience requirements, and who are committed to following the organization's strict Code of Ethics.

The home inspection profession, now almost 20 years old in some areas, has never been regulated by any State or Federal agencies*, and the standards and methods of inspection, especially in the early years, have varied greatly. Some inspectors, for example, gave only favorable reports in order to secure future referrals from real estate agents. Sometimes inspectors used the home inspections as a means to build their repair or remodeling business. Some inspectors simply didn't have the knowledge or experience.

In 1976 a small group of professional home inspectors, who were dissatisfied with the lack of standardized technical and ethical practices, formed the American Society of Home Inspectors (ASHI). Their goals were to establish formal inspection and reporting guidelines, to create and uphold a professional code of ethics, and to provide consumers with an assurance of quality and professionalism.

Today ASHI, with over 2,000 members (including

candidates) and 28 U.S. chapters as well as two in Canada, has raised the profession's standards and reputation higher than ever. ASHI's requirements for membership are rigorous,

*One exception is the state of Texas, where licensing is now required.

-- more --

CONSUMERS PROTECTED BY ASHI -- 3

including the performance of at least 250 paid professional home inspections, and the successful completion of three written exams which test the applicant's knowledge of building systems and components, report writing and ASHI Standards, and the diagnosis of building defects. Since changes in technology and in the residential real estate marketplace occur almost daily, ASHI members are expected to participate in a number of continuing education programs, many of which are provided at the organization's national as well as Chapter levels.

To eliminate any possible conflict of interest, ASHI's Code of Ethics forbids members from endorsing any contractors for specific repair work recommended in an inspection, or from doing the work themselves.

The ASHI Standards of Practice, which provide the nationally recognized benchmark of performance for a professional home inspection, include an inspection of the central heating and air conditioning systems, interior plumbing and electrical systems, roofing, insulation, ventilation, walls, ceilings, floors, windows, doors and the foundation and basement. Many ASHI inspectors provide helpful maintenance tips, as well, to guide home buyers in the proper care of their new home. Above all, if the inspector is an ASHI member, consumers are protected by the highest degree of competence and professionalism possible.

Home buyers who are interested in contacting an ASHI home inspector may check their Yellow Pages under "Building Inspection Services," or contact the American Society of Home Inspectors at 1735 North Lynn Street, Suite 950, Arlington,

Virginia, (703) 524-2008, for the name of the ASHI inspector nearest them.

#