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Home inspections may save homebuyers costly surprises

Home inspection services are becoming a boom industry. One recent survey indicates that up to 77 percent of home sale transactions now involve services of a professional inspector, according to Michael Casey, president of the American Society of Home Inspectors (ASHI).

"In some parts of the country, better than 90 percent of home sales now include an inspection," said David Hetzel, president of the Home Inspection Institute of America (HIIA). "That's up from 45 to 55 percent just a few years ago."

It's not really surprising that a growing proportion of home sales include a home inspection — before or during the closing process. Buyers obviously want to know as much as possible about the condition of a home before purchasing it. Sellers and brokers want to avoid after-sale hassles and potential legal problems in today's litigation-crazed environment.

The rising cost of hiring an inspector is a consideration. Typically, it now ranges from \$250 to \$300. And, after shelling out that fee, don't expect a total inspection.

Inspectors don't cut holes in walls to inspect studdings or sources of moisture. They don't dismantle other portions of the home's construction to reveal otherwise concealed elements. They inspect and evaluate only those parts of the home that are readily visible.

Normally, that's clearly spelled out in the inspection contract. That's certainly a reasonable and needed limitation. But it also limits the scope of the inspection and opens the door to after-sale problems not foreseen or reported by the inspector.

It should be noted, however, that those problems emanating from unseen portions of the home are rare. And most people consider the cost of a visual inspection to be justified by its benefits, as shown by the increasing number of inspection contracts being sold.

Surprisingly, a current trend in the field is the rising number of

newly constructed homes, according to ASHI president Casey. "From 10 to 20 percent of new homes are now being inspected," he said. "It often catches sloppy and defective workmanship in the home's construction — things that might not be detected by the home buyer."

One of the most serious problems in homes today is excessive mold and mildew, Casey said. Household mold can cause extreme respiratory problems for occupants, and the moisture accumulation that causes its development is often difficult to identify in early stages. That's one of the challenges faced by today's inspectors.

Some home inspection advocates feel so strongly about the benefits of professional inspections that they're pushing for mandatory home inspections, at least for properties being financed by federal home loan programs. Such a requirement was recently introduced in Congress by a senior member of the House of Representatives.

"We have been urging policy makers in Washington to examine the risks that uninformed home-buying decisions pose for consumers, especially when federal home loan programs are involved," said Rob Paterkiewicz, ASHI executive director.

"Mandatory home inspections would be beneficial for home-buyer protection, as well as prevention against fraudulent acts. Some members of Congress have become increasingly troubled that FHA programs are devoid of requirements that inform home buyers of the technical details of their home purchases. This represents a significant hole in our consumer protection safety net."

HIIA president Hetzel also supports the mandatory requirement.

"I see no problem with lenders, including HUD, requiring home inspections. As it now stands, in the case of government-backed loans, the buyer must be given the option of obtaining a home inspection, and HUD highly recommends it.

"Just look back at mortgages

and dropped the keys on the lender's desk, turning back the house because they couldn't afford to pay for it and make the needed repairs," Hetzel said.

A study is now under way to determine the need and feasibility of implementing a mandatory inspection program. It is primarily focusing on the following areas:

— It's studying the extent to which increased use of independent home inspections could protect the financial interests of consumers, and how the cost of the inspections would influence home-buying decisions.

— It's also studying how mandatory inspections could protect consumers who are in vulnerable populations, such as the elderly, parents with young children, under-educated individuals, economically disadvantaged persons, and the disabled.

— And it's studying how the lack of home inspections could place taxpayer-funded loan programs at increased financial risk.

Many aspects of the mandatory program must be considered before legislating such a requirement. In the meantime, a growing proportion of individual home sellers and buyers are signing home inspection contracts.

Selecting the right inspector is the key to an effective inspection. It's only too easy for a person to hang a "home inspector" sign on his door, even though he has no, or minimal, qualifications to render such service.

It's a good idea to check the record and references of any inspector being considered. And if they are members of and certified by major inspector organizations, such as the Home Inspection Institute of America or American Society of Home Inspectors, that's a positive indication of capability.

Send inquiries to James M. Woodard, Copley News Service, P.O. Box 120190, San Diego, CA 92112-0190. Questions may be used in future columns; personal responses should not be expected.

— James M. Woodard
Copley News Service