



Mike McCarthy

R E A L T Y

HOME INSPECTION GUIDE

HOME INSPECTIONS

Home inspections are an essential component of real estate transactions for millions of buyers, sellers, and real estate agents, banks and mortgage brokers. Whether you are shopping for a previously owned house or a brand new house, an inspection provides insight into the condition of the home you are buying. In essence, a home inspection is a visual examination of a house and property. When performed by a qualified professional, it includes:

- A thorough visual inspection of the structure (inside and out, from foundation to roof)
- An examination of all major systems
- An objective evaluation of the condition of 100's of items
- A printed/digital report covering all findings and identifying potential concerns

The following pages provide a more detailed description of a home inspection and additional useful information on the following:

- Why a home buyer needs a home inspection
- What a home inspection is...and isn't
- Attending the home inspection
- Choosing a home inspector
- Home inspection costs and other inspections





WHY DO YOU NEED A HOME INSPECTION AS A BUYER?

Buying a home is largely an emotional experience. Sometimes it's love at first sight. But often love is blind, and many buyers learn too late of such unseen conditions as cracked foundations, deteriorated plumbing, worn out heating systems, or dangerous wiring.

A professional home inspection is your best resource in identifying such pitfalls and their consequences, such as:

- Costly repairs
- Inconvenience
- Animosity
- Disappointment

You may have some knowledge of construction, or a friend or relative may have a background in plumbing or carpentry. However, there is no substitute for the objective eye of a skilled and qualified home inspector who has been trained, knows what to look for, and knows how to evaluate hundreds of key points throughout a property. Unlike the home buyer whose observations are likely to be partial, the home inspector performs his role with an unbiased attitude and in the best interest of the customer.

Keep in mind, a home purchase is one of the largest long term investments of your life. As a result, you need to know as much as possible about your prospective purchase. By identifying existing or potential areas of concern, the inspection report will help secure your investment, minimize post-closing surprises, and provide you with peace of mind. An insightful report is fundamental to making the right buying decision.

WHEN SHOULD YOU ARRANGE FOR A HOME INSPECTION?

As soon as you become serious about the purchase of a home, you should consider a professional inspection. When you decide to purchase a house, you can have a protective clause written into the purchase agreement which allows a home inspection company to conduct a complete general home inspection. This way, if the report comes back as less than favourable, you can rescind your offer and back out of the deal. You can also attempt to negotiate the price and/or terms of the purchase agreement based on the findings of the report.

WHAT A HOME INSPECTION IS

A home inspection is a thorough visual examination of the condition of the home and property. The process usually takes two to three hours, during which time the house is examined from the ground up.

The inspection includes observation and, when appropriate, operation of the:

- Plumbing
- Heating
- Air conditioning
- Electrical systems

As well as structural components:

- Roof
- Attic
- Foundation
- Basement
- Exterior and interior walls
- Chimney
- Doors

When conducted by a professional, a home inspection can cover about 1,000 check-points in approximately 400 items around the home. Findings should be provided to you in the form of a comprehensive report, together with a recommended action for each item. It is vital that such a report includes an objective evaluation of the condition of the home, clearly relating existing defects and indicating potential problems.



WHAT A HOME INSPECTION ISN'T

1 - A home inspection isn't an appraisal, and vice versa

An appraisal is the formal process of estimating a property's value as it relates to a mortgage loan or mortgage insurance. It does not itemize defects or reflect potential problems in the home. Even a Canada Mortgage and Housing Corporation (CMHC) appraisal does not fully attest to the condition of a home. To ensure an objective evaluation of a home's condition, many lenders encourage home buyers to use private inspection services, and some employers reimburse home inspection fees as part of their relocation programs.

2 - A home inspection report isn't a warranty

Because a home inspection is a visual examination of the home and operating systems, it is not technically exhaustive. There is no assurance, expressed or implied, that equipment will not break down at some future date. However, such protection is available when a home inspection is complemented by a home warranty. When the services are used in conjunction with one another, a home warranty covers the items that were serviceable at the time of the inspection and subsequently fail due to normal wear and tear.

3 - A home inspection doesn't detect every conceivable flaw

It is an inspection of those areas and items that can be seen. Home inspectors cannot see through foundation, floors or walls, and cannot inspect areas that are inaccessible and generally do not move furniture, boxes or any other items.



SHOULD YOU ATTEND THE HOME INSPECTION?

It is important that you, as the home buyer, be present during the two to three hour inspection. By accompanying the inspector you will gain additional insight into the home's condition.

You will:

- Get a first hand look at the condition of each key component throughout the house and property so you will have a better understanding of your house and of the inspection report.
- Allay concerns about findings which, on paper, may seem distressing but in fact may be superficial. For example, the inspector might explain that an unsightly column needs only a coat of paint, or that the problem that caused a water spot has previously been corrected.
- Learn about the operation of your new home—how the heating system works, how to control pilot lights, how to turn on various appliances and components, or where shutoffs are to save time and avoid frustration. The inspector can point out maintenance needs and procedures and explain how and when to check items that are in need of periodic monitoring.

Have all of your questions and concerns addressed immediately as they arise.

Prior to the inspection, prepare a list of questions or concerns about the property. Relate these to the inspection company in advance to ensure that such matters will be properly addressed and that any special arrangements can be made if necessary. Bring your list to the inspection.

However...

While you're encouraged to tag along and ask questions, don't impede the home inspector. You should also stick with them, rather than heading off to other parts of the house. For example, if they're checking the bathroom water pressure and you start running the kitchen sink, it could affect the results.



CHOOSING A HOME INSPECTOR

Approach choosing a home inspector the same way you would choose any other professional. Ask friends, family members or even your real estate agent for referrals, and take the time to read online reviews of the inspectors you're considering.

A positive review or referral goes a long way, but you should also consider a few other factors when choosing your home inspector:

- Qualifications, certifications, and any special training
- Knowledge of building codes
- Years of experience inspecting homes
- Any related work experience

If you want to go one step further, you can also ask if they are a member of the Canadian Association of Home and Property Inspectors (known as CAHPI). Individuals who are registered members of this organization have to follow strict codes and standards.

(At Mike McCarthy Realty, we do recommend qualified inspectors to hire, however you are completely free to consider others and choose your own.)

How much does a home inspection cost?

The cost of a home inspection depends on the home's location, age and size, but you can expect to pay around \$300-\$500 for a standard home inspection.

Are there other types of inspections?

Depending on the kind of home you are buying and/or based on what they find, your home inspector may suggest some of these additional inspections. They may also recommend that a knowledgeable tradesperson evaluate any issues identified (having an electrician look at faulty wiring, for example).

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| ■ Septic System inspection | ■ Wood-destroying organism (WDO) inspection (termites, carpenter ants, etc.) |
| ■ Wood Energy Technical Transfer (WETT) inspection (wood burning appliances) | ■ Mold inspection |
| ■ Radon testing | ■ Foundation inspection |

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