

Consumer Tips

Hiring a Home Inspector

Consumer Protection Act

Service Alberta, Government of Alberta

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Hiring a Home Inspector

This publication is intended to provide general information only and is not a substitute for legal advice.

For more information regarding this content visit: <https://www.alberta.ca/consumer-protection.aspx> or phone 1-877-427-4088

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Preamble

Buying a home is the largest investment most consumers will ever make. Before buying, you should know what condition the home is in and what repairs it might need. Hiring a qualified home inspector to examine a home can help you to make an informed decision about condition. Some homeowners also have the homes inspected so they can get any defects fixed under their new home warranty before it runs out.

What should I expect from a home inspector?

The home inspector's role is to advise you of the physical condition of the home. The inspector should walk through the home with you and point out any problems. This normally takes at least two hours. The inspector must give you a contract before the inspection and a written report after an inspection.

The inspector must not damage the home during the inspection unless the owner agrees in writing to allow an invasive inspection. If the inspector causes damage during the inspection and the seller has not agreed, the inspector must pay for the damage. For example, this means that the inspector usually cannot drill holes to look inside walls, ceilings or behind tiling. An inspector can look for signs that there might be problems with a home and suggest any areas that should be looked at by an expert. For example, mould and wiring behind walls usually cannot be seen directly, but there might be other signals that a trained eye would notice. Before starting the home inspection, the inspector must give you a copy of the signed contract that includes a list of what will and will not be inspected.

If you are considering a home purchase, you and your inspector should also ask the seller and the realtor if there are any problems with the home. The seller and realtor must answer you honestly and not hide any problems that they know about.

The home inspector's role is to advise you of the physical condition of the home.

What rules must home inspectors and home inspection businesses follow?

Under Alberta's *Consumer Protection Act*, an inspector must disclose information honestly and openly, and deal with you fairly. The Home Inspection Business Regulation sets out specific rules for home inspectors and home inspection businesses. All inspectors must have completed a minimum level of education. The regulation also sets out the requirements for home inspection contracts and for the inspection report that the inspector provides to the consumer.

Home inspection businesses must have:

- a licence under the *Consumer Protection Act* from the Government of Alberta
- a bond or other form of security, and
- errors and omissions insurance

Home inspectors who are working for an inspection business must have a licence. To have a licence, a home inspector must:

- be employed by a home inspection business, and
- be a Registered Home Inspector (RHI) or Certified Master Inspector (CMI), or
- have a degree, diploma, or certificate in home inspection from an approved school, and pass a test inspection by a CMI from the International Association of Certified Home Inspectors Alberta, or a RHI from the Canadian Association of Home & Property Inspectors, or
- hold an approved home inspection designation from an approved industry association, or
- have a licence from an approved regulatory body.

How to hire a home inspector

Finding an inspector

Talk to friends or others you know who have used a home inspector. Ask if they were satisfied. Did the home inspector identify problems with the house? Sometimes your realtor will recommend a list of home inspectors.

Another way to find a home inspector is to contact home inspector associations for a list of members. Ask what an inspector must do to become a member. Does the association require members to have special training, qualifications, education or experience? Ask what the association will do if you have a complaint about one of their members. You will find the names and information about home inspection associations at the end of this document. Some home inspectors do not belong to any of these organizations.

What to ask before you hire any home inspector

Make sure you ask the following questions, even if the home inspector you are considering is highly recommended by a person you trust:

Licence

Do the inspector and the home inspection business have the required licences? All home inspectors and home inspection businesses in Alberta must have a licence under the *Consumer Protection Act* and show it to you when asked. Note that a licence does not mean the Government of Alberta recommends a particular inspector or business.

Check the Service Alberta website at www.servicealberta.ca/find-if-business-is-licenced.cfm to see if a business is licensed. If you don't have access to the internet, you can call the Consumer Contact Centre at (780) 427-4088 (Edmonton) or toll free in Alberta 1-877-427-4088 for this information.

Education, training, qualification and experience

Ask the home inspector about his or her educational background, years of experience, courses taken, and qualifications. Many inspectors have a background in the construction trades. Has the inspector taken any continuing education courses to keep up with new construction materials and requirements?

Knowledge of the Building Code

Ask the inspector if they know and understand the Alberta Building Code and the way it has changed over time. An old home will meet the code in the year it is built; however, new homes will have to meet today's building code.

Conflict of interest

Is the inspector being paid to inspect the home by anyone other than you? For example, if the inspector has received a fee from the realtor, your bank or your mortgage broker, there would be a conflict of interest. The inspector is not allowed to carry out an inspection where there is a conflict of interest.

Business enforcement search tool

Find out if an individual or business in Alberta was charged, convicted, had a licence suspension or cancellation, was issued a notice of administrative penalty or director's order, or entered into an undertaking using the online search tool here:

<http://www.servicealberta.ca/enforcement-actions.aspx>

References

Ask the inspector to give you the names and phone numbers of at least three recent customers, and then ask those customers for their comments. Would they recommend that inspector? Another way to find out about a home inspector is to call your local Better Business Bureau to check the business complaint history. If there were complaints, how did the business deal with them? Phone numbers for the Better Business Bureaus are located under *For More Information* at the end of this document.

The home inspection contract

Once you have chosen an inspector, they must give you a home inspection contract. Read the contract carefully and make sure you understand it before you sign.

The home inspection contract must:

- be in writing,
- be legible,

- include your name and address,
- include from the home inspection business:
 - the name of the home inspection business,
 - its provincial licence number,
 - business address (including street address),
 - telephone number and (if applicable) the fax number, and email address.
 - If the inspection is to be contracted out to a different home inspection business, the contract must also give the name and licence number of that business and you will be asked to initial that part of the contract.
- give the name and licence number of the home inspector doing the inspection,
- give the address of the home to be inspected,
- state the date of the contract,
- state the date on which the inspection is to occur, and
- indicate when you will receive the completed home inspection report.

All of the items below must be listed in the contract for inspection, unless you agree otherwise by initialing those items that will not be inspected:

- Roofing
- Flashing and chimney
- Exterior including lot grading
- Walkways
- Driveways
- Retaining walls
- Patios and decks
- Structure
- Electrical

- Heating
- Heat pumps and cooling
- Insulation
- Plumbing
- Interior

Attached garages or carports are included in the inspection. Other outbuildings or structures not attached to the home are only included in an inspection if they are specified in the contract.

If the home inspection does not include the inspection of mould or asbestos, the contract must include a statement, initialed by the consumer, indicating that fact.

Make sure everything you want to have inspected is listed in the contract. Talk to your inspector about adding anything else that you want inspected. The home inspector is responsible for inspecting only what is listed in the contract.

The contract must not state that the liability of the inspector or the business is limited, or say that you only have a certain time to make a claim against the home inspection business or home inspector.

The inspection will be non-invasive (that is, will not damage the property) unless the owner agrees in writing to allow an invasive inspection.

Once you have read and understood the contract, you and the inspector will sign it and each will get a copy.

Make sure everything you want to have inspected is listed in the contract.

The home inspection report

A home inspection report must:

- be in writing,
- be legible,
- provide information about the condition of all the parts of the home included in the contract, and
- be given to you on or before the date stated in the contract.

The contents of the report are confidential and the inspector or inspection business must not disclose them to another party unless you agree, there is a serious health and safety risk, or there is another legal reason.

The home inspector or the home inspection business is not allowed to give you an estimate of the cost of any repair or improvement identified by the home inspection. To fix defects identified by the home inspector and determine the cost, contact qualified tradespeople.

Claiming errors and omissions insurance

Errors and Omissions Insurance (E&O Insurance) also referred to as professional liability insurance, and professional indemnity insurance, is insurance coverage that provides financial protection to companies, their employees, and professionals from lawsuits, negligence claims, court costs, settlements and or other losses.

Home Inspection
Businesses must have
insurance.

Home Inspection Businesses must maintain this kind of insurance in the event something is missed or ignored during the inspection. Negligence by a home inspector may lead to an incomplete picture of the risks a prospective home purchaser may take if they make an offer on a property.

If you believe that negligence has occurred on the part of a home inspector/home inspection business, you should seek legal advice. If you do not already have a lawyer, you can obtain contact information for up to three lawyers through the Lawyer Referral Service operated by the Law Society of Alberta. There is no charge for the first 30 minutes, after which you can decide whether to continue with the lawyer at their full fee rates. You can reach Lawyer Referral at 1-800-661-1095, or find more information at www.lawsociety.ab.ca/public/lawyer-referral.

For more information

For information about the *Consumer Protection Act* or home inspector licences, contact:

Service Alberta

Consumer Contact Centre:

In Edmonton: 780-427-4088

Toll-free in Alberta 1-877-427-4088

Queen's Printer Bookstore

You may purchase Acts and regulations from the Queen's Printer Bookstore:

10611 - 98 Avenue, Edmonton, Alberta T5K 2P7

Edmonton: 780-427-4952

Toll-free in Alberta: Dial 310-0000 then 780-427-4952

These are also free for you to download in the "pdf" or "html" formats at www.qp.alberta.ca

BBB Canada's Northern Capital Regions and Quebec

For complaint history of home inspection businesses.

Email: info@bec.bbb.org

Toll-free: 1-877-859-8566

Better Business Bureau of Southern Alberta and East Kootenays

In Calgary: 403-517-4222

Toll-free: 1-800-221-6690

<http://calgary.bbb.org/>

The Real Estate Council of Alberta (RECA)

For information to help buyers and sellers.

See RECA's Property Inspection Request form at

<https://www.reca.ca/consumers/tools-resources/forms-agreements/>

Home inspection organizations

Canadian National Association of Certified Home Inspectors (CanNACHI)

1-705-466-3232

www.cannachi.org/

Alberta Professional Home Inspectors Society

www.aphis.ca/

International Association of Certified Home Inspectors (InterNACHI), Alberta Chapter

<http://ab.nachi.org/albertaachi/>

Listing of Licensed Home Inspectors

Service Alberta

Search for a business, charity or fund-raiser on the www.servicealberta.ca/find-if-business-is-licenced.cfm. A current version of this and other consumer publications are available at www.alberta.ca/consumer-business-tips.aspx. Most public libraries have Internet access if you do not have access at home. If you need more copies of this publication, you have permission to photocopy.

Home inspection checklist

1. If a home inspector or home inspection business is recommended by friends or others:

- Were they satisfied?

2. If you contact industry associations to find a home inspector:

- What are the inspector's qualifications, education, training and experience?
- What is required to be a member of the association?
- How does the association handle a consumer complaint?

3. Ask the home inspector:

- Do they have a licence from the Government of Alberta? Ask to see it.
- What is their education, training, qualification and experience?
- What is their knowledge of the Alberta Building Code?
- Is there a conflict of interest?
- Can they provide at least three references?
- Is the inspector getting a referral fee from anyone?

4. Check the references.

5. Read the contract:

- Is it in writing?
- Is it legible?

Does the contract contain:

- your name and address,
- the home inspection business name, licence number, business address,
- the name and licence number of the home inspector,
- the date of contract,
- the date of inspection,
- the address of the home to be inspected,
- a list of the things to be inspected?

6. Ask about items that are not on the home inspectors list of things to be inspected.

7. Home inspection report:

- Is it in writing?
- Is it legible?
- Does it cover the condition of the things to be inspected as listed in the contract?

8. Does the homeowner and realtor know about any problems with the home?