

**"The 7 BIGGEST Mistakes  
People Make Hiring Inspectors - and How  
to Avoid Them."**

Dear Friend,

Thank you for reading my booklet.

Home inspectors haven't always enjoyed the best reputation. There are no national standards and some states don't have any regulation at all. Zero. Nada. None.

That's why I wrote this little book. To provide a little guidance before the critical decisions need to be made.

You'll learn why you never to hire the home inspector with the lowest price. You'll learn which ones to avoid and, more importantly, who you need to get for your team.

Communication is key. So is integrity. I'll show you how to find the inspectors that have both.

That's what this booklet is all about. My aim is to make the inspection process as easy and painless as possible.

Sincerely,

Paul Duffau  
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## Getting Started

Buying a home always includes a learning curve. This is true whether you're buying your first home or your sixth investment property. Every time you enter into a new transaction, the details are different. No matter how careful or knowledgeable you try to be, mistakes can happen. That's why every professional builds a team that they can rely on.

Choosing a home inspector is one of the more important decisions that you'll be making when you put together your real estate team. By the way, if you didn't already realize it, you are putting together a team of real estate professionals. The agent, the appraiser, the home inspector all work for you, protecting your interests. If they don't perform that way, fire them. You have that right - you're the boss.

The role of your home inspector is to minimize the risk attached to potential mistakes. Most home-buying mistakes can be attributed directly to a lack of information about the house.

An error that many buyers or sellers make is not taking the time to get the best pros on their side. Let's look at the biggest mistakes that people make in my specialty, home inspectors - and **how you're going to avoid them.**

### **Mistake No. 1- Not hiring a Home Inspector**

This is probably the biggest mistake that you can make. A good home inspection is likely to save you thousands of dollars. Every home has defects. That's just a fact of life. I have had one home in 5 years with no defects! One, literally, in thousands.

I don't care if your Uncle Eddie is a contractor and says he'll do an inspection for you. Eddie has his heart in the right place but, unless he's familiar with all the systems in the home - electrical, mechanical, structural - and willing to go into the attic, crawlspace and on the roof, he's not your guy. He may be expert at building a

new home but how much experience does he have with 1910 architecture and building practices?

And, in many states, the inspector is required to be licensed. An inspection by an unlicensed inspector provides you with exactly zero protection.

Another mistake in this same category is not inspecting a new home. The picture you see below is one of a new home. That's the furnace exhaust. It was dumping carbon monoxide to the attic right above the master bedroom. **THIS HOUSE WAS ALREADY OCCUPIED!**



I had to come down from the attic and tell the owner he couldn't use his furnace because it could kill him. And this was a custom high-end home.

The job of the home inspector is to accurately identify the house components that need to be repaired or likely to need repair in the near future. In (fortunately) rare cases, we find things that are immediately life-threatening. Until I get into the house, I can't tell you

what to expect and neither can anyone else. Not the agent. Not the seller. Not the builder.

That requires a professional involved daily in the business of inspecting houses. Don't make the biggest mistake. Hire a professional home inspector.

## **Mistake No. 2- All Inspectors are Not Created Equal**

Every home inspector brings different qualifications and skills to the table. Some of those inspectors are truly impressive. But like anything else, you have the other end of the spectrum. A client of mine summed it up better than I can:

"Paul,

We wanted to thank you for your thorough inspection. We were impressed with the time you spent to explain the systems in the home we purchased. You patiently answered our questions and gave us a very good idea of the good and not so good features of the house. We are happy with our new home and feel that your inspection was an excellent value.

The instant report on disk was very helpful.

The young couple that bought our house in Colfax were not so fortunate. The inspector that they hired did very shoddy work. The only tools he brought were a flashlight, and a digital camera. He didn't even bring a ladder. His report suggested that the roofing be inspected even though it was installed two weeks prior to the inspection. He thought the architectural composite roofing looked "funny" but refused my offer of a ladder to inspect it more closely. He never inspected the wiring and only flushed one toilet to inspect the plumbing. It was obvious he was just going through the motions to collect his fee.

Again, thank-you for a job well done and a great value!"

~Rick and Kathy

You have to take the time to ask about the inspectors qualifications. Not all will belong to a certifying organization. Most organizations are marketing devices -

some more so than others. Ask anyway. If they don't belong to ASHI, NAHI or some equivalent, ask why not. They should be able to explain clearly why.

If your state has licensure, your inspector must be licensed. Anything less is not acceptable. I work in two states, Idaho and Washington. In Idaho, I could send out my 13 year old daughter with a clipboard and flashlight and call her an inspector. There are literally no requirements and it's buyer-beware. Washington is marginally better, requiring a Structural Pest Inspector license - though as of 2010, inspectors will have to pass new testing for full licensure - a huge improvement.

Some states, like New York and Texas, have high standards for inspectors. Right now, about 34 states have some form of licensing on the books. **Check with your State Department of Licensing to make sure the inspector is current.**

This is your first protection in looking for quality inspectors. The second is to talk to them. Some will be busy. I don't answer my phone if I am with a client but return calls as soon as possible. Ask them what experience they have in building inspection and building sciences.

Ask what special services they offer and whether training was required to acquire the skills for those inspections. Many mold inspectors know next to nothing about their subject other than "Mold is Gold".

Ask them how long they have been in business, are they full-time, and get a copy of one of their reports. Some reports will blow you away with incredible detail. (*I know one inspector that types up an 80 page narrative report for each home he does! The downside is it takes three days to get the report and he charges \$800. per inspection*) Others will be five pages of checks in the "Satisfactory" category.

One Realtor confided to me that one report had everything was marked marginal - with no reasons or

remedies offered. The report will give you a great insight on how the inspector thinks.

A good inspector is going to be able to communicate with you and, more importantly, will want to both **in person and in writing**.

Talk to your inspector. Check his report.

NOTE: For an example, check my sample report online at [www.yournwinspector.com](http://www.yournwinspector.com) and click on the Sample tab. That will take you to the Samples page where you can see several of my reports on different styles of homes.

### **Mistake No. 3 - Bargain Hunting**

The first problem with bargain hunting is that a dirt cheap home inspector usually means they're the least successful in the marketplace. To give the cheapest price, they usually avoid insurance, quality equipment (there are some tools that every inspector absolutely must have) and probably don't stay very busy.

So they drop their price. The end result is that you get what you pay for. And the little bit of money you saved at the inspection can end up costing you more in the long run! Believe me, I've done the forensics on other inspections gone bad.

Another disadvantage of hiring the cheapest home inspector is that he may not include all the services you need in his bid. Some states have mandated inspection services that should be part of any basic bid that you get from the inspector.

For example, Washington State requires a Structural Pest Inspection done on real estate. I don't charge extra since it is a basic requirement to meet the existing legal standard. Yet, there are inspectors who will quote a low price and then ask if you "want" a Structural Pest Inspection or other mandatory service.

Another example is Missouri. Inspectors are required to be licensed to inspect wells and septic systems. A good home inspector won't nickel and dime you to a higher fee -

he'll make sure you have everything that you need as a base package.

NOTE: Extra services like an infrared scan, energy audit or radon test should be clearly identified as extra and should be optional.

To avoid buying on price alone, I suggest you choose two or three home inspectors and rank them in the order that is important to you such as Quality first, Service second, Availability next.

#### **Mistake No.4 - Picking the First Available Inspector**

Some Realtors will not provide guidance on which inspector to use (NAR - National Association of Realtor - guidelines state that they should recommend a minimum of three if they refer at all) and I have seen Realtors that photocopy a page from the phone book and give it to clients.

Clients then proceed to call each one, starting at "A" and working their way down the list until someone answers the phone. That's their guy. He answered the phone and he's available, today even.

**That's a huge mistake.** The guys you want are the ones that are busy. The good inspectors don't multi-task. They focus on the inspection at hand and return calls later. Generally, they are booked several days in advance and, in the busiest part of the year, perhaps even up to a week out. Looking at my schedule now, I am booked out 3 days with a holiday on the Fourth of July.

Wait to talk to at least three inspectors. You might

NOTE: For an example, check my schedule online at [www.yournwinspector.com](http://www.yournwinspector.com) and click on the Online Scheduling tab. That will take you to the scheduling page where you can see my available slots. Not every slot is shown - I save a few for emergencies.

have to wait for a return call but it's worth it. Any inspector that takes more than 12 hours to try to contact you (or overnight with a return call first thing in the morning) should be eliminated from your list. They don't care enough to be courteous. Likewise, if you have hired an inspector, let the others know. Those slots (and they may be saving one for you) are the lifeblood of their business.

Spend the time to chat with them and get a feel for their style. Look for someone who can explain the issues in the house without scaring the heck out of you. This isn't **Fear Factor**. It's a home inspection, data gathering on all the systems. Emotion gets in the way of facts. Avoid cheerleaders for the same reason.

**Ask for appointment times that fit your schedule.**

Most inspectors offer morning and afternoon times and, on special request, evenings and weekends. Expect to pay extra for Sundays. If at all possible, you want to be at the inspection, so plan a 4 hour block of time for it. I guarantee it won't be a waste of your time.

If you can't be at the inspection, set a time that the report will be delivered and when you can call to discuss it with your inspector. If the inspector does not offer that follow up time (FREE!), move on to the next one.

**Remember - It's BEST Available, not First Available that you're looking for.**

**Mistake No.5 - Who Referred Your Inspector**

Many home inspectors market aggressively to real estate firms. This is the tried and true form that grows the inspector's business and it's the way I do business myself. That isn't to say that is my only marketing effort. I also maintain two websites, provide useful guides (like this one), newsletters and talk to other professionals. As my reputation has grown, referrals from

previous clients have become a large source of new inspections for me.

The big worry that some buyers have is that the independence of the inspector can be called into question. I'm not going to tell you that this doesn't happen; it does happen but in a very small percentage of cases.

Most Realtors want you to buy a house, be happy in it, and sell it for you when you move up to the next home. They know it is in their best interest to give you good advice.

Still, the risk is there. So how are we going to manage the risk? Easy. Ask your Realtor who the "deal-killers" are. Deal-killers are the inspectors who tend to find things that end up messing up the deal. They always go into crawlspaces or open electrical panels.

These are typically the pickiest inspectors in the area but some may also just lack communication skills. A quick phone call will tell you which.

Another approach is to ask your Realtor who they would have do their inspection. Ask for at least two names. Add them to the deal killers (if they're not already on the list). This group will have the inspector that you want.

Nothing pleases me more than knowing I can count on Realtors calling me to do their inspections when it's their home on the line. That is very high praise. And I do a lot Realtor's houses!

The best referrals will come from satisfied clients. If you have friends that have recently used an inspector, ask about him. What did they like? Did they get a good value? Would they use him again?

Many articles online suggest that you ask for referrals from the home inspector. I'm going to disagree with this. In my case, I won't give them. My dealings with my clients include a confidentiality clause. I won't violate that to get extra business. If that costs me the opportunity to provide an inspection, I'll live with it. And, if you talk to me on the phone, I'll tell you the same thing. If it is not to be, it's not to be, I'll be understanding and wish you luck. But I'm not going to violate my client's privacy.

### **Mistake No.6 - Is Your Inspector Insured?**

A competent inspector will carry Errors & Omissions insurance. Errors and Omissions insurance is similar (at least the idea of it) to mal-practice insurance. If your home inspector misses something big (and something he SHOULD have caught - some things just aren't part of the inspection), you need some recourse. Most inspectors don't have deep pockets and will not be in a position to cover your potential losses without the help of an insurance company.

Most states don't require E&O insurance (franchise inspectors will be required as part of the contract to carry E&O) but it is your best protection against a catastrophic failure in the home that was not included in the report. This is a huge warning sign. You must ask.

**Estimates indicate that up to 60 percent of inspectors do not carry insurance.**

Why don't the inspectors carry something this basic?

The answer: money. The insurance is horrendously expensive (upwards to TEN times what a Realtor pays). To make a living, some inspectors scrimp on insurance.

**I can't overstate this: Ask!**

On a related point, ask the inspector what kind of guarantee he offers. A good inspector has no problem standing behind his work. If he made an avoidable mistake that isn't catastrophic, he should be willing to admit it.

It's no fun as the inspector having a client call to say that the exhaust fan in the kitchen just died. Still, he needs to rectify the problem. He needs to own his mistake.

NOTE: Did I mention that inspectors are human? A **GREAT** question to ask an inspector is;

**"Nobody is perfect. What have you missed in a previous inspection and how did you handle it later?"**

The second part of the answer is the meat: Is this guy going to face up to his responsibility?

**If he says he never misses anything, he's a liar.**  
Move on to the next one.

In my case, I offer a 110% guarantee. Check [www.yournwinspector.com](http://www.yournwinspector.com) for the details.

### **Mistake No.7 - Follow Up Service**

You're buying a house that will cost hundreds of thousands of dollars. You're spending hundreds of dollars on the inspection. You will have issues at the end of the inspection that will need to be addressed.

By who? It better not be the inspector. ASHI standards flatly prohibit an inspector from doing for-hire work with a client for one year. An inspector that is using the inspection process to grow his handy-man company is not working for you, even if he is giving you the business.

Home inspectors should be in the business of inspecting homes. If a home inspector offers to direct you to a contractor to perform work, that inspector is potentially creating a conflict of interest. Some state regulations and inspector associations allow an inspector to undertake specified repairs, but I don't recommend hiring such an inspector.

*(On rare occasions, I will offer a referral but I do not benefit in any way. As a matter of fact, I quit NACHI (a home inspector organization) when they sold Brinks my info. Brinks then "offered" inspectors \$15 for their client info on each inspection they completed.)*

If you request repairs to the property prior to closing- and, remember, it's not whether there are issues - it's a house - it's going to have issues - your inspector should be available to do a follow up inspection for you.

Personally, I offer these for free. I invariably like my clients. Because I like you, I don't want you in the crawlspace or messing with the electrical panel. Most of my clients are content to let me have all the fun. It's a win-win deal.

I have had occasions where I have gone out and the repairs have not been completed. On one occasion, the older couple who were selling were told the "electrical system is now up to code", charged \$500.00 and **nothing - NOTHING! - was done.**

Two days before closing, I was in the attic calling the Realtor to let him know that there was a "glitch" in his closing. My clients were thrilled to have me go back. The older couple got their money back. All ended well because the client had me go back.

Some inspectors charge \$50.00 or more for a follow up. Ask beforehand what the policy is but I strongly recommend that follow-up.

Just give us a bit of notice. No lie, I had an agent call at 4:00 in the afternoon and they were closing at, you guessed it, 7:00 the next morning.

At 7:00 pm, I'm walking a roof to make sure everything is repaired the way it should be. I was not a happy inspector.

### **Finishing Up**

So there you go. It really isn't that hard to pick a good inspector. There are an awful lot of us out there but you can't get lazy. You have to do some basic research and you have to be willing to ask some questions.

Start interviewing home inspectors before you have an offer on the home. You may not need him for a little while but you want to get the foundation set before you are up against a time goal - and, once your offer is accepted, you will definitely have a time goal.

Doing the prep work ahead of time will let you make a decision on who you will have on your team long before the emotions of buying a house hit.

I've worked with professional investors on several occasions. Their approach is to gather the facts and make the decisions. Many of my first time homebuyers do exactly the opposite - they make a decision and then try to gather facts.

Go with the pros. You'll have a better and more enjoyable experience.