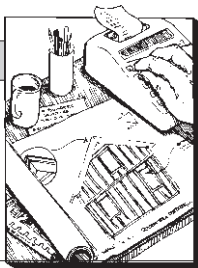


# Inspecting Homes Is Risky Business

by William Hurtle



Adding home inspection to your remodeling business can add a steady trickle of cash. And it can be enjoyable to teach people how to better care for a house.

But there is another side to the business—fear of lawsuits in today's litigious society. In fact, I seldom do a home inspection that does not make me at least somewhat nervous. I've been a remodeling contractor for 20 years, and know how grudgingly houses give up their secrets. Also, I know that a house can change rapidly from summer to winter—or as other conditions change.

Furthermore, when I called my insurance company about errors-and-omissions insurance, my agent couldn't find any. Talking to full-time inspectors, I found I couldn't afford it anyway. That made me nervous too. Yet I like to do inspections and people want them. After weighing the pros and cons, you too might consider including them as part of your service.

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## Customer Demand

People want home inspections. They want someone to check a house before they buy, to learn why there's condensation rolling off their windows, to find if the existing structure is strong enough to carry their dream addition. Or they want to qualify rental property's energy performance to pass Wisconsin code. In Green Bay, where home surveys are just catching on, \$25 per hour is competitive. With two or three hours for the usual inspection (a 2,000 square-foot house about 20 years old) and a similar time to write a narrative report, inspections add a worthy flow of cash to my small remodeling business.

Home surveys can also be a path to

remodeling work. Sometimes the client is inspecting you as you survey the property. At the end of the tour they ask "Can you do the work?" My inspection then becomes a paid estimate. This is great, but it is a bad idea to play the service for that purpose. It's also a bad idea to get too cozy with real estate agents, who can also be a good source of inspection work. The best course of action is to wait for homeowners to call; they tend to save the report, and your phone number is on it. Real estate agents will also send work your way.

## Only What You See

I drifted gradually into home inspection, but the path is one others could follow. As a journeyman, I trained as an energy auditor. Then I took state exams to qualify as an inspector in various code areas, such as structure, hvac, and energy. Many builders here do that to keep up with the code and with the clan of municipal inspectors. It also increased my credibility with customers. When Wisconsin passed a law requiring rental property to be up to minimal energy standards before it could be sold, I qualified to do those inspections. From doing these, it was an easy step to doing full inspections.

I now own a blower door and feel comfortable diagnosing tightness and ventilation. I flush toilets, flick electrical switches, run appliances and describe what appears to be their general condition. I assess major problems, expensive repairs, and unsafe conditions in a building's structure and operating systems. Of course, no inspection is truly "full." I won't disassemble things, and I can't inspect what I can't see.

The last is an inspection truism, but it should say, "I can't inspect what I can't sense." The nose, ears, and trained touch are just as important as the eyes. In inspect houses the same way I stalk deer, very slowly, with great deliberation, and at a full sensory alert. The pocketknife probes for rotten wood, the nose sniffs for natural gas leaks, and the ears listen for the hollow sound a hammer makes on a slab with voids under it. Some water stains are subtle; sometimes carpenter

ants don't leave much dust, and often it is carefully swept up just before you come. Being a little suspicious helps, and my anxiety level often signals where a comment is needed in my notebook or where a specialist's opinion should be recommended.

But even with contract disclaimers, I get nervous when I'm confronted with wells, septic systems, homeowner-"improved" electrical/plumbing systems, creosote-slick chimneys, historic renovations, or heat pumps. If the client wants to know more about any of these, I advise hiring specialists.

## The Human Factor

The human factor plays a big role when property changes hands. If you aren't good with people and a good communicator, inspections are not likely to be a positive part of your business. It also helps to be naturally fair-minded and task-oriented. It's important to establish rapport with your client.

At the site, I want to have my client, the owner, and the real estate agent there. I want them to accompany me as I do the audit so all will see how deliberate and thorough I am. I want to hear the owner say how old the shingles are, to talk about how the basement did in the heavy rains last fall, etc. One successful full-time inspector (he was too slow, too careful as a carpenter) told me most of his problems are with inspections of unoccupied houses for out-of-town clients.

Words are a big part of the work. During the inspection you use reporters' interview techniques and take copious notes. My report is a written narrative, and a personal reference library should stand behind it all. I use a Macintosh computer to write reports. I can produce about a page an hour, and doubt I'd have the patience to do it without word processing. Eventually, I'll buy an instant camera and add illustrations. Also on the wish list are a furnace man's natural gas sniffer and one of those Little Giant ladder systems that stores in a small space, but can get me up on a roof or to an awkwardly placed attic scuttle. It is important to have a good checklist to avoid skipping significant details. Real estate agents have them, you can make your own, or you can buy one from a home-inspection business. Mine is from Homepro System's Homebook, and well worth its high price for the peace of mind it gives me. Maybe I won't find every reason the paint on the chimney wall is peeling, but I'll know I didn't forget to talk about it.

Writing a narrative report is work, hard work. There are inspection

report systems that use checklists. One uses a combination of checklist, note taking, and computer-generated prose to create a narrative report. But to achieve the most clarity and least risk, I prefer writing. It forces reflection and aids accuracy by demanding precise word choice.

Write as soon as possible after the inspection and revise the next day. Usually clients want a report as soon as possible anyway. If I did more than one inspection a week, reporting writing might become tedious. Now it adds variety and gets me in contact with potential customers. It is good to give the report a final out-loud reading, while imagining your client's attorney assessing every word.

## Worth the Risk?

For some client bases, it might be unwise to assume the uninsured risk of adding an inspection service. Some clients have very low tolerance for ambiguity—things are black and white, exactly right or wrong. They expect professional to produce in those terms. If some troublesome problem arises with their house, or if they are just plain predatory, they will pin the problem and damages on you.

When you do a home survey, tell the clients that it will reduce their risk, but it is not a substitute for insurance. And have them sign a good contract. I ask clients to sign a contract that says what I am inspecting and what I'm not. The contract gives no warranties and limits my liability to the amount of the fee.

Talk it over with a lawyer before you add your line under the "Inspection Bureaus" listed in the Yellow Pages. On one hand, it is a natural, useful sideline for construction-savvy workers, and people want the service. On the other hand, if you can't get clients to accept reasonable limits to a house survey (it is only an informed description of existing conditions as far as they can be seen), or if they are quick to go for legal guns, maybe inspection is not worth it.

Be aware that it sometimes brings you into the middle of conflicts between buyers and sellers. What you say will turn up in contingency clauses in lending contracts, and you may have to testify in court now and then.

But usually you make a little money and feel good about teaching people how to better care for a house. They are happy to pay to have risks more clearly identified and to know more about their homes. ■

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