

National Home Inspector Certification Council

CANADIAN SIDE OF H.I. HISTORY

The history of the Canadian version of home inspection spans back into the early years of the 1980's. CMHC commissioned a study entitled "The Canadian Residential Inspection Industry", December 1992, by Wagner, Daigle, Revay Ltee. At that time the findings reflected that the private residential inspection industry exists mainly in the major centres. It also noted that CAHI (Canadian Association of Home Inspectors) was engaged in an expansion program. Members largely belonged to ASHI (American Society of Home inspectors).

It also established that in Ontario and British Columbia chapters had already been established for some time. In fact as a founding member of OAHI (Ontario Association of Home inspectors), I was listed along with 14 other inspectors as original members, dating back to 1987. As a result of the 1992 studies feedback the findings indicate that in the private sector companies whose sole principle business to residential inspection work dates back to 1975. Prior to that, home inspections were performed as a part-time activity.

The oldest association of private home inspectors in Canada was the Association of the Ottawa-Carleton Building Inspectors formed in 1985, later to become a chapter in Ontario in 1987 with OAHI. A British Columbia chapter followed in 1991. CAHI the national umbrella group of associations was formed in 1992. For the record ASHI was established in 1976.

The majority of private home inspectors cited experience in the building trades or as contractors prior to entering inspection work. A large number of these indicated technical background of architecture, engineering or engineering technology.

A number of recommendations to advance and improve the private home inspection sector also came out of this study such as "common standards", "qualifications", and "training and education".

The ASHI Standards of Practice has a long history of being the most referenced (and derivative) guide for home inspection standards in both Canada and the USA. The "standards" outlines what is required and what is not as a baseline for the performance of a standard home inspection.

Strategy Report to Provide Coordination of the Canadian Home Inspection Profession

In June 1997 a CMHC report was finalized based on recommendations from an Advisory Committee representing the Canadian Home and Property Inspection Profession. This strategic planning session was aimed at developing an agreement in principle to explore a national strategy to verse and develop initiatives to guide the future of the Canadian Home Inspection profession. Much of the content of this report highlighted the need for addressing a coordinated national set of standards as well as addressing accreditation and certification issues.

At that time there were three major membership groups – CAHI (Canadian Association of Home Inspectors), WAPI (Western Association of Property Inspectors) and PACHI (Provincial Association of Certified Home Inspectors) and a number of provincial associations. At that time there was significant fragmentation within the sector, and thus the need for change for coordination and standardization of practice.

The Rationale for Change

- Existing associations do not represent the entire home inspection profession
- Currently no single group exists that reflects all elements of the profession

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- There is considerable fragmentation within and between existing associations
- Anyone can work as a home inspector without certification by a provincial association

Just to name a few, this became the key building blocks for the development of a “**National Initiative**”.

The overall objectives of the “National Initiative”:

- 1) Elevate the status of the profession
- 2) Establish minimum occupational standards – code of ethics and certification criteria
- 3) Insure that inspections comply with same performance standard across Canada
- 4) Approve, support and coordinate accrediting bodies to “self-regulate” certification and provide control of private-sector home inspectors

Home Inspector Training & Certification

The private sector respondents from the 1997 CMHC study strongly supported the establishment of a recognized qualification standard for home inspectors. As such a DACUM project resulted. Its purpose was to analyze the “inspection” function in order to identify the skills and knowledge necessary for the tasks and duties for competent performance. The first DACUM was completed in 1992 by SAIT. Since that time at least 3 more major reviews of previous DACUMs, (2001, 2008) with latest conducted in 2013, and final document released in 2014.

DACUMs (Developing A Curriculum) are a well-known process for conducting a job and/or occupational analysis. DACUM is extensively used by educators and trainers when they are establishing a new education or training program, or for updating and revising an existing program of study. DACUMs helped in the development and advancement of home inspection education and training opportunities to enhance a home inspector’s knowledge and skills.

CMHC & HRSDC (Canada Mortgage & Housing Corporation & Human Resource Development Canada)

Both CMHC and HRSDC were key supporters to help in the development of a “**National Initiative**” to help in the study and advancement of “standards” and “certification requirements” for the home inspection sector. The “Initiative” was first launched in late 1999 and early 2000 and known as CHIBO (Canadian Home Inspectors and Building Officials) Steering Committee. The first release of the “Competencies” required for Professional Home/Property Inspectors was released May 1, 2001. During this process the Steering Committee, facilitated by a DACUM facilitator also developed a document that identified “Common Core Competencies” that both Private and Public Sector (Municipal Building Officials) shared in common.

During this period CAHI changed its name to CAHPI, and essentially became the “go to” association representing the home and property inspection sector.

The second CHIBO II Project was funded in 2003 and completed in October of 2005. The Construction Sector Council, now known as “BuildForce”, managed the project. The primary objective of this project was “to establish and develop certification and accreditation models that will lead to recognizable and credible inspection industry and also increase worker mobility between jurisdictions”. The results of this not only satisfied the full intent of the National Initiative, but also led to the formation of the National Certification Authority, hence the NCA.

NCA - CAHPI – What could have been?

After the final release of the 2005 National Initiative Project was completed CAHPI National took it upon itself to manage the National Certification Project. It created the NCA (National Certification Authority). The NCA was to be comprised of elected “National Certificate Holders”. In the background there was movement by several CAHPI Provincial associations to undermine and control the NCA. The general agreement held by major funding providers was for the National Certification Project must be “open and accessible to any” home inspector regardless of affiliation.

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One of the National Certification Program primary objectives was to develop and test a National Certification Program for home inspectors – introduction of national final field exams (test assessment) through a practical **Test Inspection with Peer Review (TIPR)**. The NCA Certification was benchmarked in accordance with the recommendations of the findings in the 2nd CHIBO Project. The TIPR became a practical assessment of a home inspector's skill and later became the new norm for many inspection associations as a criterion for certification.

Over time those elected National Certificate Holders (NCH) that represented the NCA and all National Certificate Holders were handcuffed by the whims and veto of CAHPI National and its' provincial associations. After several meetings and proposed agreements to ensure independence for arm's length management of the NCA; CAHPI and its' provincial associations dismissed the NCA board and put an end to the National Certification Program mid-2010.

NCA – NHICC - Fractured again and picking up the pieces

During the period of 2006 to 2010 a number new home inspection associations grew in many of the provinces. These were viewed as a threat to CAHPI National and its provincial associations. Once again it appeared that the sector was ripe with discontent and offering home inspectors an opportunity to look for easier pathways into claiming to be "certified".

With the winding down of the National Certification Program and National Certificate Holder the "elected" board members of the NCA, sought approval from the stakeholders to continue the valuable work invested by the stakeholders. This became the beginning of the NHICC (National Home Inspectors Certification Council). The NHICC is a not-for-profit federal "certification body" for home inspectors in Canada. A volunteer Board of Directors runs the NHICC. The certification division of the NHICC is an arm's length "third party status" council that manages the testing and examination of candidates. The primary purpose of the NHICC targets upholding the commitment to existing National Certificate Holders, and open and fair treatment of candidates that desired to pursue the values of achieving "national certification".

The NHICC has had a number of notable successes that includes recognition for licensing in both British Columbia and Alberta. This past year the NHICC was also invited for a presentation with respect to licensing Home Inspectors in Ontario. The NHICC maintains membership and certification guidelines through the Institute of Credentialing Excellence and has a Credentialing Specialist on staff. Additionally the NHICC maintains grass roots support from "public member" representatives in its credentialing work.

Where are we now? - Licensing & Fragmentation & CSA

Licensing was first introduced to the home inspection sector in 2009 in British Columbia. Since that time Alberta required licensing within the home inspection businesses in 2011. More recently the province of Ontario approved a Bill to license home inspectors earlier this year in 2017. It is anticipated that licensing will start in late 2018 to early 2019.

Again in the province of Ontario there currently are as many as 7 different home inspection associations. This does not count the non-affiliate inspectors. With a downturn in the market for demand of home inspections as a condition of sale, the overall market to sustain home inspectors has significantly decreased. Ultimately the future of home inspections is largely controlled by the whims of Realtors. Realtors steering clients to inspection favourites appears to be the most common complaint behind a clearer separation of the Realtor/Inspector relationship.

Another new initiative was initiated primarily from Alberta to create a home inspection standard. Thus the development and creation of the (Canadian Standards Association) Home Inspection Standard. This "standard" appears to be largely based on performance standards taken from other Standards of Practice such as the ASHI (American Society of Home Inspectors) and modified versions such as the CAHPI (Canadian Association of Home and Property Inspectors) Standards of Practice. Inspectors also foresee concerns of how paying to read a CSA copyright "standard" for a fee will impact not just home inspectors but also all consumers considering a home inspection or simply access to that information. This presents a counter intuitive "standard" that is based on what already is readily available to consumers on most every

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home inspection association website for “free”. Typically inspectors provide the “standard” to their clients as a point of reference commonly utilized to describe the “scope of work”.

On another note although CSA standards are typically well known, however past precedence based on many court decisions recognize the most commonly used home inspection “standards of practice”, such as the ASHI and CAHPI Standards of Practice. These standards have been in existence for almost 40 years, so there is a legal recognized point of reference to these performance standards.

Has anything really changed?

Again just the author’s opinion, but for as much as the home inspection sector has made some significant strides forward, there’s still a lot of turf protection by most home inspection associations. There are also a lot of fast track certifications that can be seen as undermining raising the bar of assuring quality and competency level in the performance of a home inspection. There’s question regarding the conflict of interest presented by association certifying members through their mandated education requirements. After all for associations to exist and be financially stable they are largely dependent on the annual fees and means of support through offering directed education required of their members.

On the education side there are a number of courses in home inspections offered by the college system in Canada. However there appears to often be resistance to recognize other private career based home inspection education opportunities. Again some home inspection associations often refer new candidates to their preferred education vendor, thus raising the question of conflicts.

In order to remain truly autonomous and avoid a conflict of interest the decision for certification must provide direct protection of essential certification decisions from undue influence. Unfortunately certification and education are intertwined in order to provide financial stability to most home inspection associations. True certification programs must satisfy the requirement for autonomy of the governing body in a number of ways.

As noted earlier from the work of the National Initiative the Test Inspection process has advanced into the leading method of providing peer review and practical field-testing of the practical skills of home inspectors. To date the NHICC has a history of processing over 500 inspectors through this assessment system. It’s interesting to report that approximately 18% of the candidates fail to meet the testing standard of a minimum pass grade of 80% in result of the “must find” significant defects. Ultimately this raises the question regarding inadequately qualified home inspectors that are claiming their proficiency in the unsuspecting marketplace.

Most recently CAHPI the once claimed “national voice of the home inspection sector” has divested itself as the national association of CAHPI recognized associations, which included representation in every province. Today CAHPI has changed its focus into becoming the parallel home inspection association similar to ASHI in the United States. This also raises the question of whether CAHPI will simply become just another home inspection association in the fragmented mix in Canada. Signs already exist that this change in CAHPI has only help further fragment the previous associations it held with its provincial counterparts.

Insurance

The other large component of the home inspection sector is requirement related to (E&O) error and omission insurance, and general liability. Although no comprehensive database is maintained regarding E&O, complaints or disciplinary actions specific to Home Inspectors, some information was uncovered in a dated CMHC study that indicates that there may be cause for concern.

In 2004 CMHC conducted an insurance study (Investigating Claims against Home and Property Inspectors) related to the home inspection sector that provided the state of affairs on E&O insurance. The purpose of this study focused on the

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nature of complaints filed against home inspectors. The report highlighted a number of cases and provided recommendations regarding the issue of insurance and risk management. Another reason behind the study was the main private insurance company representing the sector withdrew insurance for home inspectors. Prior to licensing, very few inspection associations required mandatory insurance coverage.

Most every home inspection association have internal processes that may call for review of complaints and, in some cases, sanction their members, but they have no authority to impose corrective measures to compensate consumers and no evidence of this was presented during the study.

Another recommendation was to establish a model standard agreement. To date several have been offered by various associations, but nothing in regards to one uniform standard.

In one of the larger claims a BC Home Inspector was found negligent of approximately \$200,000 that made national headlines. The judge ruled that the home inspector was negligent in not inspecting all of the structural beams and in failing to draw to the buyers' attention that the rot was much more widespread than he indicated to them.

The Future?

Well there are still a number of questions and concerns about the future of the home inspection sector. Here are a few points to consider:

1. The downturn in the number of inspections due to price/bidding wars (condition of inspection removed)
2. The increased number of fast tracked home inspectors that have flooded some of the markets
3. The changing role of home inspection associations with licensing
4. Will there ever be one unified "Standard of Practice"?
5. Will there ever be a uniform certification standard, currently some inspectors need as few as a small handful of home inspections to achieve certification, or completion of an un-proctored exam?
6. When will consumers realize the risk involved by a home inspector in conducting just several hours of viewing and examining a home?
7. True "mandatory" disclosure in the real estate sales process

So when we refer back to the overall objectives of the "National Initiative":

- 1) *Elevate the status of the profession*
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When will the home inspection sector finally work together and finally meet all of these objectives?

Licensing cannot guarantee a fault-free inspection, and likewise consumers of home inspection services must realize there are limitations to the home inspection process.

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