

What a Home Inspection Is:

1. A visual and operational review of conditions of the home at the time of inspection
2. The North Carolina Home Inspector Licensure Board has established Standards of Practice which provide minimum standards.

What a Home Inspection Is Not:

1. Technically exhaustive
2. A warranty
3. A fiduciary relationship as seen in agency

7 Steps to Keeping a Home Inspection From Blowing Your Deal:

1. Teach your clients (buyer or seller) what a home inspection is and is not.
2. Tell them from the beginning: There is no such thing as a "perfect house"!
3. Discuss obvious "red flags" before the inspection.
4. Explain the information the report will contain:
 - A. Defects
 - B. Maintenance/Information
5. Before the inspection takes place, discuss strategy for actions to take place after the inspection.
6. Encourage buyers' attendance at inspection. Try to attend yourself as well.
7. Choose a reputable home inspection company who will provide a thorough and unbiased written report, will stand behind their work, and will provide service to the clients throughout the process, should they have questions or concerns later.



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Your ability to recognize red flags or warning signs about irregular physical and mechanical aspects of a property **can actually help you to earn more money**. The second **important function of your ability to recognize Red Flags is liability protection**. You will be held to a higher level of accountability than your buyer or seller given your training about homes. The more you know, the better able you will be to lead the seller through an honest and complete disclosure process and to protect yourself in the process.

Top 10 Tips for Spotting Red Flags

1. **Water Penetration**
 - **roof**-flashing at chimney and rake walls
 - **siding**-moisture damage at window sills could indicate water has penetrated siding as well
 - **window trim**-damage at window sills
 - **crawlspace**-clogged/damaged gutters, no extenders, soil sloped towards house, crawlspace vents flush or below grade
 - **stoops and decks**-where attached to house
 - **doors**-especially subfloor beneath metal sliding glass doors
 - **staining/patching**-at ceilings on interior
 - **discoloration**-around toilets and/or bathtubs can indicate either past or present water leaks
2. **Electrical Systems**
 - look for exposed wiring
 - check service panel for "tripped" breakers
 - scorching or exposed splices
3. **Heating/Cooling**
 - activate thermostat to "on"
 - walk through house, check vents for hot/cool air flow
 - soot/dust on air conditioning registers
 - rusted furnace/water heater
4. **Pipes/Plumbing**
 - low water flow-flush toilet, turn on bathtub and sink faucets
 - loose toilets
 - examine area around the tubs and showers for soft, spongy floor in baths/kitchen/laundry
 - check for corrosion on visible pipes, especially at the water heater
 - abandoned wells/septic systems
5. **Doors/Windows**
 - open/close all windows and doors
6. **Cracks** - do not follow the mortar joint, resulting in sheared (cracked) brick
 - basement wall with horizontal crack
 - shifting of brick in wall
 - foundation wall with crack on interior and exterior
7. **Lot Drainage** - look for "ponding", discoloration, sunken elevations
8. **Abandoned Underground Storage Tanks** - fill and vent pipes sticking out of ground
9. **Structural/Room Additions** - check assessed square footage, year built, zoning, etc. with Property Tax Department
 - difference in flooring types and elevation
10. **Appliances**
 - turn oven "on" and check to see if thermostat responds to temperature changes make sure stovetop elements are operational
 - dishwasher or oven used as storage area

Sellers' Home Inspection Check List

- Water on and flowing
- Electric power on and lights functioning
- Gas pilot lights lit
- Access to windows & electrical outlets
- Access to attic scuttle doors
- Crawl space doors unlocked
- Remove all dogs and cats
- Keys for exterior doors and deadbolts and utility rooms
- Access to electrical panels, furnaces and gas-fired water heaters

To Prospective Home Buyers and their Agents

Important facts from The Offer to Purchase and Contract paragraph 13

Prior to making an offer on a property, you, as a buyer, should be advised that you have the option, under the Offer to Purchase and Contract, to have a series of inspections performed to determine the condition of the property. Please understand that the purpose of inspections is to ensure that major items/systems in the property are functioning as intended and not in need of immediate repairs. Inspections are NOT intended to inspect **EVERY** item/system on or within the property nor are they intended to ensure that the property you are purchasing is free of minor defects. There is no perfect home and **home inspection reports will not create the perfect home.**

Paragraph

13

**Of the Standard NC Offer
to Purchase and Contract
and
Home Inspections**

Paragraph 13(a) in the Offer to Purchase and Contract describes those items that can be inspected. The home inspection report will cover many more items than those listed in Paragraph 13(a). Buyers need to understand that it is **only those items listed in Paragraph 13(a) that can contractually be considered between buyers & sellers.**

Items that you are concerned about should be inspected. You should review the lists below to determine if the item of concern will be addressed by **Paragraph 13(a)** or is included under the **Standards of Practice from the NC Home Inspector Licensure Board**. If there are items not listed below about which you are concerned, please speak with your agent about how to include them in a home inspection. You may need to have those items inspected by a qualified technical professional. You may also need to address these items as a contingency in the contract.

Items that will be inspected as outlined in the Standards of Practice are:

Structure	Heating & Central A/C
Exterior	Roofing/flashing & gutters
Interior	Insulation & Ventilation
Plumbing	Built-in Kitchen Appliances
Electrical	Fireplaces

Additionally:

- Per Paragraph 13 (c) of the Offer to Purchase and Contract sellers are not required to make repairs.
- If repairs are needed or requested, it is recommended the "Repair Agreement Form 310" be used and submitted to the seller.
- Sellers are not required to use licensed repair personnel; however, due to liability issues it is highly recommended.
- The Listing Agreement & Offer to Purchase and Contract requires the seller to provide access to the property for inspections and have "working, existing utilities" functional (**Refer to 10b of the Listing Agreement and 14 of the Offer to Purchase and Contract**).
- The inspector will not turn on utilities that are off at time of inspection. Please review this issue with your agent prior to inspection date to avoid aborting the inspection and incurring additional costs.

The following are some examples of items addressed and not addressed by the Two Governing Factors: Offer to Purchase and Contract and Standards of Practice.

Governing Factors Compared

When the **Standards of Practice of the NC Home Inspector Licensure Board NCHILB** (website: <http://www.nchilb.com>) and the items listed in **Paragraph 13(a)** are compared the following are **NOT** required to be inspected per the Standards of Practice:

- Detached Structures (Garage, Storage, etc.)
- Storm Doors/Windows
- Operation of air conditioning systems if it might cause damage (such as when temperatures are under 60 degrees)
- Friable Asbestos
- Environmental Contamination
- Public/Private Water Systems
- Public/Private Sewer Systems
- Non-accessible areas

Items **NOT** included in **Paragraph 13(a)** but **ARE** included in the **Standards of Practice for NCHILB**. Some examples are:

- Areaways, Driveways, & Walkways
- Retaining Walls/Foundation Walls
- Patios
- Wall Unit Garage Door Openers
- Sump Pumps
- Skylights
- Insulation
- Vapor Barriers
- Countertops & Cabinets
- Verifying a heat source in each room

Items that are **NOT** addressed by **either Paragraph 13(a) or the Standards of Practice of the NCHILB**. Some examples are:

- Irrigation Systems
- Shutters
- Awnings
- Fences
- Antennae/Satellite Dishes
- Lightning Rods
- Underground Storage Tanks
- Hot Tubs/Spas/Pool
- Air Cleaners/Humidifiers
- Solar Equipment
- Heat/Carbon Monoxide Detectors
- Low Voltage Electrical Systems
- Window Air Conditioners
- Wallpaper/Paint
- Draperies/Blinds
- Carpeting
- Oven Clocks/Timers/Thermostats
- Oven Self-Cleaning Functions
- Water Softeners/Filters
- Non-built in Appliances (Refrigerators, Vacuum Systems, Etc.)
- Speaker Systems/Intercom Systems
- Built-in TV Equipment
- Telephone and Cable TV Equipment
- Security Systems
- Fireplace Insert Flue Connections
- Interior of Chimney Flues
- Remote Garage Door Openers
- Abandoned Wells

