

Decoding the Real Estate Market
Home Inspections
By Sandy Hayes

“Here lies Walter Fielding. He bought a house, and it killed him.” Tom Hanks as Walter Fielding in the 1986 movie *“The Money Pit”*.

With the numerous foreclosed properties on the market there are plenty of bargains to be had for house hunters and investors. However, if a property needs serious repair that the Buyer is not aware of at the time of purchase, it can become a money pit. Just as the *knee bone connected to the thigh bone*, that mold in the corner of the bathroom wall may extend into the sub-floor or the rot in the eaves may extend into the sheathing on the roof.

When purchasing any structural property it is advisable to get a pest inspection and a home inspection. Lenders require a clear pest inspection before they release the funds on a property. The pest inspection can locate many problems in a structure. “Clear” means the Section I damages (those which affect the structure) are repaired prior to the loan funding. Pest inspectors are licensed to perform inspections of building structures to determine damage or possibility of damage from insects, bugs, termites or dry rot conditions. They are also licensed to do many of the repairs sited in their reports. This is a good start but a home inspector can give you even more information.

A licensed home inspector is someone who has the training and skills to identify problems. The basic inspection should include a complete examination of all of the systems in a structure, such as plumbing, heating, and electrical, along with inspection of the physical structure, and an assessment of the structure's overall condition. The inspector generates a report which describes the condition of the structure, any issues which need to be addressed, and major problems which could be red flags. If mold or excess moisture is an obvious or suspected problem, addition services with thermal imaging devices can be added. Thermal imaging reveals surface temperature variations of the building, which can be interpreted by the inspector to identify problems in structure, moisture content and air leakage. It can also be used to find hidden heating and cooling losses, moisture intrusion, inadequate or non-existent insulation, plumbing leaks and poor construction.

Home Inspectors are often licensed contractors, however, this is not required. California does not currently have a licensing/certification/registration process for Home Inspectors. The California BUSINESS AND PROFESSIONS CODE SECTION 7195-7199 prohibits unethical home inspection practices, including repairing properties that home inspectors have inspected in the previous 12 months. There are home inspection trade associations. Membership in a trade association requires home inspectors to obtain annual continuing education. Property Buyers are cautioned to check out a home inspector's qualifications prior to hire.

Although thorough pest and home inspections are not absolute guarantees of a trouble free structure, these reports assist greatly in helping the Buyer make an informed decision.

The next installment of **Decoding the Real Estate Market** will discuss Home Warranties.