

Reminder About Property Inspections

In recent years, pre-purchase property inspections have become more common in the marketplace. The Council considers this a positive development in that a property inspection will assist the buyer in understanding, prior to the purchase, the condition of the property and what repairs may be necessary.

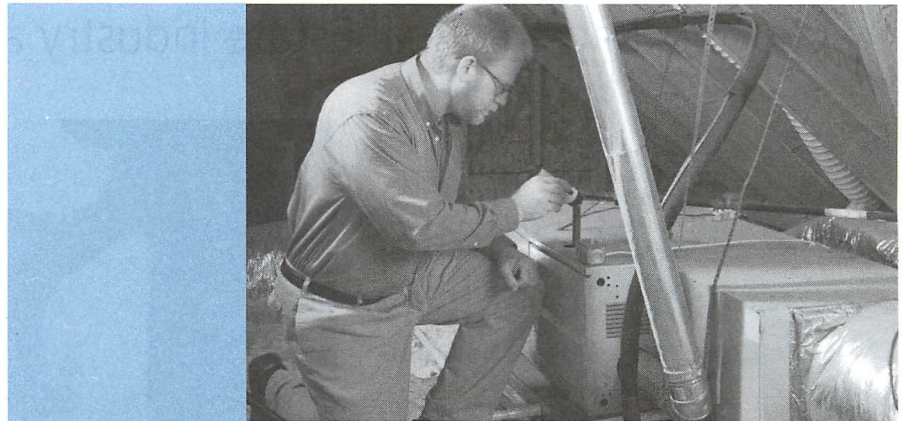
For this reason, a buyer's agent should always advise a buyer to have an independent inspection of a property, and the licensee should explain the importance of why such an inspection is necessary and that licensees are typically not qualified to provide home inspection advice. If a buyer chooses not to have an inspection, the agent's advice to do so should be documented.

In some cases, in addition to a buyer wanting to have the property inspected, a seller may also want such an inspection before listing the property for sale so that the seller is aware of what issues the property inspection report may identify.

If a licensee intends to refer clients to a property inspector, the safest way to do so is to provide a list of at least three professionals with whom the licensee, or others he or she knows, has dealt and have the client call, interview, and select them independently. It is recommended that licensees avoid "steering" buyers towards particular service providers or communicating information about their fees.

As of March 1, 2009, providing a property inspection for a fee became an activity for which a licence is required. Consumer Protection BC is the agency responsible for property inspector licensing. For further information, visit www.consumerprotectionbc.ca.

Licensees should exercise care in selecting those to be included in this list of service providers. Before making a referral, licensees should ensure the individual is properly licensed, consider the inspector's experience and credentials and also what insurance coverage the inspector carries, such as errors and omissions insurance,



A buyer's agent should always advise a buyer to have an independent inspection of a property, and explain why such an inspection is necessary

liability insurance and worker's compensation coverage.

Once a buyer has determined which property inspector is to be used, licensees must respect the client relationship this creates between the buyer and the property inspector. The buyer is paying the property inspector for professional advice with respect to the condition of the property they are considering purchasing. Licensees should not attempt to thwart that relationship either by downplaying the importance of deficiencies noted by property inspectors or by making disparaging comments about the buyer's choice of property inspectors.

As with any subject clause, the length of time allowed for its removal should be reasonable while not being unnecessarily long. In the case of property inspections, sufficient time is required to arrange and conduct the inspection, prepare the report, and have the report reviewed by the buyer. The goal is to ensure the buyer has full knowledge of the results of the inspection and, if necessary, clarification from the inspector or any other qualified person as required.

In order to avoid the possibility or even the appearance of a conflict of interest,

licensees are advised not to pay the cost of the inspection report on behalf of a buyer. If the licensee were to pay, the inspector could be suspected of not wanting to jeopardize the transaction of the person paying him or her, who might or might not ask for his or her services in the future, depending on the conclusions of the inspection report.

Finally, as with any referral, section 5-11 of the Council Rules requires that if a licensee is to receive a referral fee or other consideration from a property inspector, this must be disclosed in writing to the licensee's client.

A question often arises whether the seller's agent should be present during the inspection. The Council recommends that the seller's agent either be present or obtain permission from the seller that the seller's agent is not required to be present during the inspection. In making this decision, the seller should be advised whether the buyer and/or the buyer's agent intend to be present when the property inspector views the property. If the seller agrees that the seller's agent does not need to be present, the seller's agent should obtain the full name and address of the inspector as well as information on whether the inspector is bonded. ■