



To: Planning Committee **Date:** June 7, 2006
From: John Irving, P.Eng. **File:** 12-8375-01/2006-Vol 01
Manager, Building Approvals
Re: **Regulating the BC Home and Property Inspection Industry**

Staff Recommendation

1. That the attached report be received for information.
2. That a copy of this report be forwarded to the Building Policy Branch of the Provincial Office of Housing and Construction Standards for consideration during the current review of Building Safety Systems.

John Irving, P.Eng.
Manager, Building Approvals
(4140)

attach.(1)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

Council has received a letter from the Canadian Association of Home & Property Inspectors, BC Chapter, CAHPI (BC), on March 28, 2006 (Attachment 1) looking for support in urging the BC Government to introduce standards for the BC Home and Property Inspection Industry. Furthermore, in this letter, CAHPI offers itself as a provincial licensing body if the government decides to regulate the BC Home and Property Inspection Industry.

Analysis

It is important to clarify that the private home and property inspectors are providing a different service to the public from that provided by municipal building inspectors. Private home and property inspection services are available to home purchasers as a value added service. Their primary role is to give a home purchaser detailed information about the existing and potential maintenance problems associated with the building and the systems within it and could therefore, have a financial impact on the new owner. This could include identifying issues such as the life expectancy of roofing and flashing materials, a cracked or settling building foundation, blocked or inadequate ventilation of the attic, roof or crawl spaces, evidence of water leakage, and obvious maintenance deficiencies of the electrical, plumbing or heating systems. On the other hand, the primary focus of municipal building inspectors is health, fire and life safety issues with new construction and alterations. Their role is to monitor various stages of new construction and renovations, and to verify compliance with applicable municipal bylaws, provincial codes and regulations.

Consumer protection for the purchase of newly constructed homes is provided by the Provincial Government's Contractor or Owner/Builder registration and warranty system administered by the Homeowner Protection Office (HPO).

The provincial safety system is built on a legislative framework consisting of various statutes, regulations and local government bylaws incorporating national and provincial codes governing the installation and operation of regulated products. A few years ago, the Province of BC passed the Safety Standards Act and the Safety Authority Act. The Safety Authority Act established a non-profitable, independent corporation, the Safety Authority, to provide safety services throughout British Columbia in the following areas: amusement rides; boilers and pressure vessels; electrical, including electrical equipment and systems; elevators and escalators; gas equipment and systems; railways including Sky Train; the refrigeration industry; and ski lifts and trams. Furthermore, the Community Charter enables municipalities to administer safety services in the areas of building and fire safety.

At this time, the only current means to monitor and promote builder qualifications for new home construction is the contractor registration and warranty program of the HPO. Mandatory licensing is currently not being legislated for the home and property inspectors, nor the municipal building inspectors at this time. Recent review of the existing Building Safety System by the Building Policy Branch, with the goal to develop new options to govern those aspects of the construction industry which are not currently included in the Safety Standards Act, and the

recent public announcement by Housing Minister, Rich Coleman, in April that the home and property inspection industry would be regulated by the end of the year, gives us the impression that it is just a matter of time.

While only the Building Official's Association of BC (BOABC) provides certification for the municipal building officials, the home and property inspectors are represented by a number of organizations/associations in British Columbia, including The Applied Science Technologists and Technicians of BC (ASTTBC), the British Columbia Institute of Property Inspectors (BCIPI) and the Canadian Association of Home & Property Inspectors, CAHPI (BC).

CAHPI (BC) is a self-regulating association of home and property inspectors. Membership in CAHPI (BC) is attained by successful completion of seven CAHPI exams and performing a minimum of 250 fee-paid inspections. All CAHPI (BC) members must carry both the General Comprehensive Liability Insurance, and Errors and Omissions Insurance certificates.

ASTTBC is a self-governing association incorporated under the Applied Science Technologists and Technicians Act (ASTT Act) in 1985. ASTTBC provides professional certification to technologists and technicians in the applied science technologies related to building, engineering, architecture, agriculture, forest resource, biological science, biomedical engineering and surveying and mapping. Professional designations granted under the Act include Applied Science Technologist – AScT – and Certified Technician – CTech. Requirements include academic qualifications either as a technologist or a technician from an accredited technical educational institution, plus a minimum of two years progressive, technical experience. Applicants must complete a professional practice and ethics examination, and meet other requirements set by the Board of Examiners. Furthermore, the ASTT Act requires that members adhere to a Code of Ethics and provides a disciplinary mechanism to deal with breaches of the Code. All ASTTBC members must carry Professional Liability Insurance.

BCIPI is an institute established in 1999 under the provisions of the Applied Science Technologists and Technicians (ASTT) Act, to represent the professionally certified house and property inspectors in British Columbia. BCIPI members are registered under the provincial statute with the ASTTBC and must adhere to the ASTTBC Code of Ethics, and are subject to the ASTTBC standards of practice and disciplinary measures.

Financial Impact

None.

Conclusion

The current homebuyer, as a layperson, struggles to ascertain which home and property inspectors are fully qualified, registered and professionally accountable. The homebuyer has access to, and most often utilizes, the professional skills of a realtor and notary or lawyer. The homebuyer should also have access to professionally regulated home and property inspectors to provide advice on the health and safety and technical integrity of his future home.

While CAHPI (BC) is the largest home inspection association in BC, with more than 200 registered members, and is developing the necessary governance and management framework to be ready for legislation for a self-regulated licensing system for home and property inspectors, ASTTBC has demonstrated over almost 5 decades, 2 of which have been under self-governing professional legislation, that it has the appropriate values and commitment to serve and protect the public interest. ASTTBC also has the organizational will and capacity to provide effective professional regulation in home and property inspections.

It is staff's recommendation that the province consider this information when undertaking further review and discussion on how best to administer and regulate home and property inspectors in BC.



Alen Postolka, P. Eng.
Code Engineer
(4283)

AP:ap
attach.(1)

As well, through our years of work with the Construction Sector Council, the Alliance of Canadian Building Officials' Associations (ACBOA), First Nations, and Canada Mortgage and Housing Corporation we've helped create the National Certification Standard for the home and property industry. These are national standards of competency, certification, and accreditation for private inspectors and municipal building officials now called *the best in the world*.

CAHPI and ACBOA will lead this national certification program, which represents significant national progress on a key consumer protection issue. CAHPI's 1300 members across Canada are proud to be part of an organization that is taking on this national certification responsibility.

Also gratifying is the action by the other smaller house inspection organization in BC, the BC Institute of Property Inspectors and its 50 certified inspectors, and its certifying body of the Applied Science Technologists & Technicians of British Columbia in following our lead in calling for BC government action to set standards for the BC house and property inspection industry.

CAHPI (BC) leadership in licensing home inspectors in BC:

It continues to be difficult to get the BC government to embrace the need for this consumer protection. At first, the BC government said that if consumers were harmed by charlatans posing as house inspectors, they could use the courts. Mr. Campbell's government confused recourse *after* a purchase with protection in *advance* of the largest spending decision of consumers' lives.

In the years since, the government has recognized that its earlier position was wrong, and has written to us on several occasions to say that action may indeed be required.

While this is certainly no indication that the government is going to act on the request of municipalities, chambers, consumers, and the media anytime soon, CAHPI (BC) is preparing for the time when the government of BC finally sees what BC's municipalities and consumers see — that action is required to protect people from phoney and unqualified house inspectors.

To serve the best interests of the general public and the home and property inspection occupation, CAHPI (BC) developed draft legislation for the licensing of home and property inspectors operating in British Columbia. We made this legislation available to delegates at the 2005 UBCM convention, and to the BC Premier and Official Opposition leader. This legislation would ensure that only licensed home and property inspectors could practice in BC.

Now, CAHPI (BC) is going further. We're developing the necessary governance and management framework to be ready for legislation for a self-regulated licensing system for home and property inspectors in British Columbia. Indeed, *if* the BC government acts to protect BC consumers in the manner suggested, CAHPI (BC) would have in place a new governance structure, *including a provincial licensing body*, so that mandatory licensing could occur *as early as January 2007*.

The competence requirements for provincial licensing would be identical to the requirements of the National Certification Program that CAHPI is

overseeing. Provincial licensing for home and property inspectors in BC will be open to all qualified practitioners.

This National Certification Program identifies two stages of certification — ‘Candidate’ and ‘National Certificate Holder’. CAHPI (BC)’s governance plan will give ‘National Certificate Holders’ in BC the power to nominate and elect other ‘National Certificate Holders’ to the board of the provincial licensing body, with the provincial government appointing other board members.

House inspectors and realtors:

Last fall, I wrote to Premier Campbell, Opposition leader Carole James, ministers Coleman, Oppal, and Chong, and the BC Homeowner Protection Office as a result of statements by the Applied Science Technologists and Technicians of BC that appeared to advocate a role for realtors in establishing best practices for house inspectors. In the letter, I wrote:

CAHPI (BC) respects the Real Estate Council and its role in licensing individuals and brokerages engaged in real estate sales, rental and strata property management. But let’s be crystal clear: Realtors’ objective is to sell houses. CAHPI (BC) members’ objective is to provide consumers with the information they need to make an informed choice. The information on a home’s underlying characteristics and condition that a CAHPI (BC) inspector provides to the clients helps them make an informed choice, and yes, sometimes this informed choice frustrates the realtors’ objective to sell the house

Consumers expect their home inspector to be above reproach. In part, this means consumers having complete confidence that their home inspector is in every way independent from realtors — again, because while realtors and home inspectors are both part of the process, our objectives and our responsibilities are very different.

CAHPI (BC) stands by this important distinction in roles and responsibilities to the consumer. We were disappointed when, earlier this month, the BC Institute for Property Inspectors supported a role for realtors in setting best practices for BC’s house inspectors. While the roles of realtors and home inspectors are very different, the ultimate obligation of each is to the customer. And as customers in a real estate transaction are best served when their realtors and house inspectors perform their roles to the best of their abilities, this means taking every action necessary so that realtors understand why and how inspectors perform their duties.

Accordingly, in the weeks ahead, CAHPI (BC) will request the opportunity to make presentations to BC’s 12 real estate boards on the responsibilities home inspectors have to consumers, and the need for action by the BC government to set standards for the BC home and property inspection industry.

The BC government ignores municipalities’ demand for consumer protection:

I said at the outset that we have been working to get the BC government to set standards for the BC home and property inspection industry. It has taken a lot longer than we thought, and in my view, a lot longer than necessary for something so fundamental to the well being of home buyers in our province.

The government has moved a little from its initial position that the courts were the best avenue for consumers, and in no small way, this is due to the efforts in 2005 of BC's municipalities. They stood up for their communities and asked the BC premier to act. They took the issue to last fall's UBCM convention.

But since then, the government has again lapsed into lethargy, leaving BC homebuyers to fend for themselves against con artists masquerading as house inspectors. *So I ask you to act again to focus this government's attention on a consumer protection initiative important to BC communities, large and small.*

I ask you to write to Mr. Campbell:

Tell him that homebuyers in your community deserve this consumer protection.

Tell him that your municipality — and the dozens of others that wrote to him on this issue last year — are still waiting for BC government action.

Tell him that CAHPI (BC), the province's largest home inspection association, and one that trains and registers BC home inspectors, is ready to take on the licensing system for home and property inspectors in British Columbia so that homebuyers in BC finally have the protection they need and deserve.

Sincerely,



Bill Sutherland, RHI, Kamloops
President, CAHPI (BC)

On behalf of:

Vice President:	David Ferrero, RHI, Nanaimo
Treasurer:	Owen Dickie, RHI, Okanagan Valley
Director:	Vince Burnett, RHI, Langley
Director:	Ray Corriveau, RHI, Fort St. John
Director:	Wayne DeJong, RHI, Vancouver
Director:	Chris Stockdale, RHI, Vancouver

For information on the **Canadian Association of Home & Property Inspectors (BC)** please phone us toll-free at 1-800-610-5665 or visit our web site www.cahpi.bc.ca. Once there, you'll find important information about our Standards of Practice, Code of Ethics, and training, plus valuable recommendations on how to select an inspector — all designed to ensure that you get the most out of a home inspection. As well, you'll find a complete list of CAHPI (BC) Members, the men and women from across British Columbia who provide home inspections and who will work to ensure homebuyers have the information they need when making the decision to purchase a home.