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Home buying frenzy spurs demand for inspectors

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House prices across Canada continued their upward trajectory last month, shattering all previous records as the average price of a home sold in the month of April hit \$228,931.

It was a 13% jump over last year and came as sales over the first four months of the year also set a record for the January to April period.

The seemingly insatiable demand for existing homes has helped create all kinds of opportunities in the marketplace, including a huge influx of new real estate agents. It has also made it extremely difficult to find a home inspector.

Reports out of major centers like Toronto and Vancouver have consumers waiting up to seven days to hire a home inspector, someone they desperately need as they compete in bidding wars. "This has been the most brisk spring I can remember," said Jeff Clarke, who owns Toronto-based Baker Street Home Inspection. "It seems everybody wants an inspector these days. I'm seeing different inspectors inspecting the same house."

The rash of bidding wars in major urban centers has resulted in several prospective bidders rushing to pre-inspect a home so they can make an offer without any conditions.

"That has become a huge trend in the industry," said Mr. Clarke.

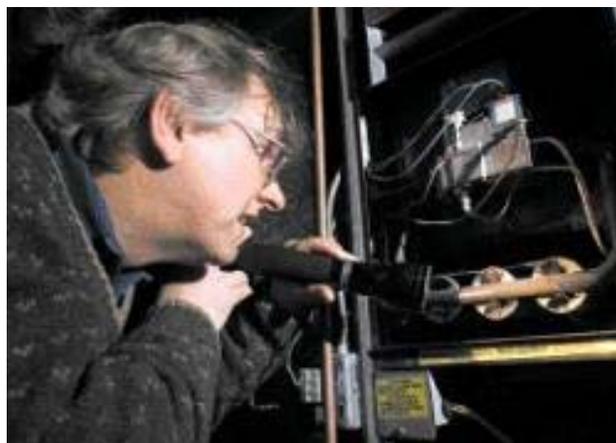
Despite the fact the home inspection business remains largely unregulated across the country, the use of home inspectors has soared.

The Canadian Association of Home and Property Inspectors says about 85% of all houses sold in major centers are inspected.

"There is no question our ranks have grown significantly," said Bill Mullen, president of the association. "Demand has jumped 40% in the last year."

Consumers are now beginning to use inspectors even on new homes. Despite the fact new homes are covered by warranty programs in most provinces, consumers are still going ahead and hiring an inspector before they take possession.

"They have an inspector come in pre-delivery to make sure everything is working properly before they take it," he said. New construction reached a 15-year-high last year, an indication of the huge untapped market for inspectors.



Toronto-based Jeff Clarke has found his company, Baker Street Home Inspection, has had his busiest spring season in memory. CREDIT: Peter Redman, National Post

The demand for inspectors has college courses filling up quickly. The closest thing to regulation the industry has is provincial associations and most of them require members to have some sort of academic training in inspection work.

"A day doesn't go by that I don't get some inquiries from somebody who wants to become an inspector," said Norma Columbus, coordinator of the two-year-old Home Inspection Certificate Program at Seneca College in Toronto. "The course is very popular right now. We've got a 100 new students enrolled for the summer."

They'll find work quickly if they are qualified and good, based on today's market conditions. Robert Davidson, a veteran Toronto real estate agent with Harvey Kalles Ltd., said last week he had a client in a multiple-offer situation who simply couldn't reach an inspector.

"My client had to go into the offer without any conditions," he said.

Mr. Davidson always recommends clients make an offer conditional on inspection but increasingly those offers don't pass muster when there are other bids. That forces people to pre-inspect, which gets expensive once a potential purchaser has been in three or four bids.

"I have one client who has had four inspections done [on houses] and lost them all," he said. "His attitude is 'I'm spending money on the house so what's a little extra.' "

Alan Carson, vice-president of Carson Dunlop, one of Toronto's oldest inspection companies, said it would be easy to go out in the street and find some new inspectors.

It's finding qualified inspectors that is tricky.

Like any other industry where there is money, the inspection industry is attracting its share of fly-by-night operators.

Mr. Carson said while the market is good now his firm is in it for the long-term and can't afford to sacrifice quality.

"We can't just churn out an inspector. We only want engineers and we put them through a four-month training program," he said.

He has three new inspectors in training, but in the interim prospective homeowners are just going to have to wait until they are ready to solo. "It usually takes about two to three days to line up a home inspector but that has climbed to five to six days, said Mr. Carson.

"Anybody who is any good is busier than they are normally."

Based on yesterday's real estate numbers, there is little sign that the market is going to let up. The Canadian Real Estate Association said there were 40,417 sales in April on a seasonally adjusted basis, the third-best month ever.

"Full-time job growth, strong consumer confidence and historically low five-year mortgage interest rates during the month of March and throughout the first quarter attracted many homebuyers to the market," said CREA in reporting on last month's data.