

Toronto

Ontario housing market so red-hot most buyers are skipping inspections, say home inspectors

Some inspectors out of work as buyers make unconditional offers — and put themselves at risk, inspectors say



[Angelina King](#) · CBC News · Posted: Jan 27, 2022 4:00 AM ET | Last Updated: January 27



GTA home inspector Panos Loucaides says he started 2021 off with five inspectors working at his company and by the end of the year, he was down to two. With unconditional offers becoming routine, many buyers are not getting inspections, say associations representing the industry. (Paul Smith/CBC)

Home inspectors in Ontario say the hot seller's market is preventing most buyers from getting inspections done, which in turn, is forcing a large number of inspectors to leave the industry due to declining business. They say the situation is also putting home buyers at risk.

Magdalena Bisson and her husband found themselves in that position after selling their house in Kitchener, Ont., last spring and trying to buy in Brantford.

After losing out on several bids, they were finally successful. But like most homes for sale, the offer had to be unconditional, which means the sale wasn't subject to conditions like an appraisal, financing or a home inspection.

Some sellers provide a pre-inspection report to prospective buyers, but not in Bisson's case.

"We knew that buying a home had to have no conditions, otherwise, you lose the home and you could be looking for months and months and months," she said.



Magdalena Bisson holds her son and stands with her husband Robert in front of the home they sold in Kitchener before moving to Brantford, Ont. (Supplied by Magdalena Bisson)

After moving in — and two floods — the couple discovered the home needed major work including excavation around the house, fixing basement drywall and adding insulation that Bisson estimates could wind up costing more than \$50,000.

Ontario home inspectors say the seller's market and routine unconditional offers are leading to fewer inspections, leaving buyers uninformed or settling for "walk-through" inspections that can be less thorough and not up to association standards. Inspectors say enacting provincial legislation that's been sitting in limbo would help protect consumers and regulate the industry.

'Massive learning experience'

Ontario's housing market is seeing house prices hit record highs; in December 2021 the average sale price was \$922,735, up 23 per cent from the year before, according to the Canadian Real Estate Association.

GTA home inspector Panos Loucaides says he's seeing more people getting inspections done after they've already made the biggest purchase of their life.

"We end up with people sometimes crying because of some serious defects and how much money they have to spend," he said.

GTA home inspector Panos Loucaides says some buyers get an inspection after they purchase a home, but it can be too late

The issue isn't just happening in the Greater Toronto Area. Windsor-Essex County home inspector Bradley Labute says about half the inspections he does now are after a house is sold, which virtually never happened before the housing market heated up in 2018.

Labute says about a quarter of the houses he inspects after a sale now end up having "major problems."

"The market has shifted from us protecting the buyer before getting into the home to now afterwards, they're calling us and saying, 'I want to know what I bought,'" he said.

Six months after Bisson and her husband moved in, their house flooded. They hired a contractor to make repairs, but it flooded again.

"There was water coming in from everywhere," she said. "We had one of the pipes back up and we had feces all over the washing machine."

They hired a home inspector who found several issues including new work that wasn't to code, a lack of proper drainage, landscaping and grading that could cause flooding and signs of previous water damage.

"This was such a massive learning experience as to what the market is doing," Bisson said.

Inspectors leaving industry, association says

Len Inkster, a home inspector and the executive secretary of the Ontario Association of Certified Home Inspectors (OntarioACHI), says, based on information from his members, he estimates only about 15 per cent of sales across Ontario now include a home inspection.

"This is crazy," Inkster said. "They're risking everything."

Inkster says it's more common in certain price points and regions, like Toronto, for sellers to offer pre-inspection reports to buyers, but not everyone does.



Len Inkster, a home inspector and the executive secretary of the Ontario Association of Certified Home Inspectors, estimates that about 15 per cent of sales in Ontario now include a home inspection. (Supplied by the Ontario Association of Certified home Inspectors)

No data were available for how prevalent home inspections used to be in Ontario. Several federal, provincial and regional real estate organizations told CBC Toronto they don't track how many sales include home inspections.

The 15 per cent estimate doesn't surprise ReMax Eastern Realty's broker of record John Hope, who is based in Peterborough, Ont. He says even the buyers who do get to view a pre-inspection report aren't given enough time to act on its contents.

"It's all rush, rush, rush, but that's the way it is," he said. "We don't like it anymore than anybody else. It puts a lot of pressure on everybody."

Inkster estimates the number of inspectors in Ontario has declined by about 60 per cent since 2017. He says membership with OntarioACHI, which is voluntary, dropped steadily each year from 827 members in 2017 to just 80 in 2022.

Dianne Guzik's business dropped so much she was forced to leave the industry in November after 14 years as an inspector in the Millbrook, Ont., area. She says realtors who used to call her for inspections stopped reaching out and the cost of her insurance went up.

"It's devastating," she said. "I'm really not sure what I'm doing [next]. Kind of soul searching. I've built up this skill, this bank of knowledge and I really can't use it."

Buyers settling for 'walk-through' inspections

Loucaides owns Inspection Services Group and says his business took the biggest hit last year; he started the year with five inspectors and is now down to two working part-time hours.

He says he was trying to work within the fast-paced housing market by having a team of inspectors from his company go to a house at the same time to accommodate a buyer during a viewing of the house. But, many viewings were as short as 15 to 30 minutes and Loucaides says he can't do an adequate job in that timeframe. Plus, he's part of an association that requires his inspectors to adhere to a higher standard.

"Consumers need protection," he said.

Loucaides says even the pre-listing inspections ordered by sellers to provide to potential buyers started to dry up.

"Many sellers were saying, 'Well, what's the point of disclosing anything when I've got 30 people outside waiting to give me a cash offer?'"

Instead, some buyers are paying for rushed inspections known as "walk-throughs" that are done during a house viewing.

"You cannot honestly tell somebody what the condition of a property is without spending a good two-and-a-half hours in the house," Inkster said.

The Real Estate Council of Ontario (RECO) says it encourages buyers to get a home inspection completed, but doesn't recommend who they use.

"Unfortunately, in real estate markets favouring sellers, there is significant pressure on buyers to submit offers with few or no conditions to be competitive," RECO's registrar Joseph Richer said in a statement.

Inspectors call for regulations to standardize industry, enhance public trust

In 2017, the governing Liberals [passed Bill 59](#) to regulate the home inspection industry in Ontario, which would require inspectors to be licensed, have insurance and abide by a code of ethics.

It has not been enacted by the Progressive Conservatives, despite support from the industry including the Ontario Association of Home Inspectors (OAHI).



It's become the norm in many Ontario regions for houses to rack up multiple unconditional offers, which is leading to fewer buyers getting home inspections done, according to home inspectors. (Cristian Gomes/CBC)

"You can buy a flashlight and get some business cards printed and call yourself a home inspector," OAHI president Leigh Gate said of the industry now. "That's

dangerous for the consumer because we need to make sure that home inspectors are properly trained, educated, qualified."

While the bill would not require inspections or remove the pressure for buyers to move quickly, those in the industry say if inspectors were regulated, they might be relied on more by realtors, appraisers and the public to help ensure consumers are protected.

"We can only be part of the solution if we can be taken seriously," Inkster said.

When asked about why Bill 59 hasn't been enacted, a spokesperson for Ontario's government and consumer affairs ministry says it's "continuing to review this file to determine next steps."