

## **RE110R20: Residential Inspections**

**OBJECTIVE:** To increase real estate licensees knowledge and understanding of the residential inspection process as it pertains to their work with home sellers and buyers.

### 1. Home Inspector Consumer Fact Sheet

All real estate agents must provide the Home Inspector Consumer Fact Sheet to consumers as a part of the home buying process.

### 2. Residential property Inspection

- a. The process by which a Home Inspector observes and provides, pursuant to the sale and transfer of a residential building, a written evaluation of the following readily accessible and observable components of a residential building: heating, cooling, plumbing, electrical systems, structural components, foundation, roof, masonry structure, exterior and interior components and any other related residential housing components
- b. The home inspection is based on the observations made on the date of the inspection and not a prediction of future conditions
- c. The home inspection will not reveal every issue that exists or ever could exist, but only those material defects observed on the date of the inspection
- d. A home inspection shall, at a minimum, conform with standards of practice promulgated by the Board of Registration of Home Inspectors (<https://www.mass.gov/orgs/board-of-registration-of-home-inspectors>)
- e. Home inspection versus appraisal
- f. Home inspection contingency in offer
- g. Alternatives to home inspection contingency
  - i. Inspection for “Informational Purposes”
  - ii. Dollar amount of repairs before contingency can be invoked
  - iii. Waiving home inspection
  - iv. Pre listing Home Inspection
  - v. Caution when editing clauses in an offer- DO not practice law

### 3. Home Inspector

- a. Qualifications of a licensed home inspector
  - i. 75 hour course
  - ii. State exam
  - iii. 25 inspections under a licensed inspector
  - iv. Associate license
  - v. Continuing education requirements
- b. What to expect a home inspector to say and not say (266 CMR 6.00)
  - i. Expect an Inspector to indicate the condition of systems and components that were inspected, including those that were found to be in need of repair
  - ii. An Inspector cannot say anything including but not limited to: price to remedy, code enforcement or referrals for repair professionals

#### 4. Scope of a Home Inspection

- a. Elements that the home inspection includes (266 CMR 6.04)
  - i. Roofing (roof coverings, exposed roof drainage systems, flashings, skylights and chimneys, roof penetrations)
  - ii. Exterior (including but not limited to: doors, windows, garage doors, siding, trim, porches, stairs, railings, driveways, pathways, drainage, grading, vegetation)
  - iii. Structure (foundation, floor, wall, ceiling, roof, attic)
  - iv. Electrical (including but not limited to: testing a representative number of receptacles and all Readily Accessible ground fault circuit interrupters)
  - v. Plumbing (including but not limited to: supply and distribution system, drain waste and vent system, hot water system)
  - vi. Heating (including but not limited to: equipment, distribution system, operating controls, automatic safety controls, chimney exterior, flue piping and vents, insulation, location of heating sources, fireplace and damper)
  - vii. Cooling/Central Air Conditioning (cooling and air handling equipment, operating controls, cooling distribution systems and insulation on the exposed supply ductwork)
  - viii. General Interior (walls; ceilings; floors; steps; stairways; balconies; hand and guard railings; countertops and a representative number of cabinets; permanently installed cooking appliances - dishwashers and garbage disposals; a representative number of doors and windows; and separation walls, ceilings, and doors between a dwelling unit and an attached garage or another dwelling unit)
  - ix. Insulation & Ventilation (exposed insulation in unfinished spaces, ventilation of attic and under floor crawl space areas, bathroom and kitchen venting systems)
- b. Limitations and exclusions of the home inspection (266 CMR 6.05)
  - i. Inspectors shall not be required to report on:
    - The remaining life expectancy of any component or system
    - The causes of the need for repair
    - The materials for the correction of the problem
    - The methods of repair
    - Compliance or non-compliance with applicable regulatory requirements unless specifically contracted for in writing
    - Any component not covered by 266 CMR 6.04
    - Cosmetic items
    - Items that are not Readily Accessible and Observable, underground items or items not permanently installed
    - Systems or components specifically excluded by Client
  - ii. Systems/elements which may not be covered during home inspections:

The licensee should encourage the consumer to discuss with the residential inspector the detail of the scope of the inspection to be performed prior to engaging the inspector. For example, will they inspect:

    - Solar panel systems
    - Antennae & Satellite Dishes
    - Fences, landscaping, trees, swimming pools, patios, irrigation systems

- Any other dwelling units or addresses in multi unit buildings
  - Outbuildings and detached garages
  - Underground utilities, pipes, buried wires, or conduits
  - Telephone, security alarms, cable TV, intercoms, or other ancillary wiring not part of the primary electrical distribution system
  - Valves except for toilet flushes and fixture faucets
  - Washers & dryers
  - Heat exchangers
  - Sump Pumps
- c. Seasonal weather can affect a home inspection
- i. Storm doors and windows, screening, awnings and similar seasonal accessories are not included
  - ii. Snow & leaf coverage on roofs, porches, steps, walkways and around foundations
  - iii. Temperatures may affect ability to test heating or cooling systems
- d. Vacant/unoccupied properties
- i. Bank Owned Properties
    - Access to all areas of the property - locks, keys, snow/ice
    - Bank/lender consideration: what are parameters established for an inspection, safe access
  - ii. Winterized homes
 

Challenges: warming pipes, availability of oil in the tank/system, low temperature inside the property could impact radon test results
  - iii. Access/availability of utilities
    - Utilities may be cut to the property
    - Oil tank may be empty
    - Buyer responsible for turning on the utilities for the inspection, then returning to the original condition

## 5. Other Possible Inspections and Tests

- a. Radon
  - i. Radon in the dwelling
  - ii. Radon in the water if it is a private well
- b. Lead paint - Property Transfer Lead Paint Notification requirements
- c. Water quality (potability) and quantity
- d. Wood destroying insects, including termites
- e. Air quality
- f. Fungi, mold and allergens
- g. Title V Inspection (Septic System)
- h. Solar panels
- i. Mass Save Audit
- j. Seller's Statement of Property Condition

## 6. Residential Inspection Report

- a. Home Inspectors shall:
  - i. Use a written or digital contract and provide only the Client with a copy of the contract unless expressly authorized in writing by the Client
  - ii. Observe Readily Accessible and Observable installed systems and components listed in 266 CMR 6.04
  - iii. Indicate the condition of systems and components that were inspected, including those in need of repair
  - iv. The report must include: the Inspector's name; Client's name and the address of the property inspected; on-site inspection start and finish times; weather conditions at the time of inspection; condition of inspected components; and obstructions and components not inspected
  - v. Report must call for additional investigation when scope of repair is unknown, concealed damage is suspected or subject area is beyond scope of the Inspector's expertise
  - vi. Method of documentation is not indicated - reports are not required to contain photographs
  - vii. Discussion on the value of a Home Inspection report that contains photos
- b. Required distribution of energy audit documents (266 CMR 6.07)  
Home energy audit materials must be provided to client (unless dwelling is in building of 5+ units)

## 7. Residential Inspections and Financing Issues

- a. VA loan inspection requirements
  - i. Requires a VA approved home inspector
  - ii. NPMA-33 wood-destroying insect inspection required
  - iii. Buyer cannot pay for the pest/wood destroying insect inspection with a VA loan
  - iv. Inspection repairs - Repair Addendum to P&S  
Items in a Repair Addendum for a VA loan purchase require a re-inspection by the appraiser when repairs are completed
- b. FHA Loan  
FHA appraisal standards disqualify some properties' eligibility for those loans

## 8. Licensee Responsibilities

- a. Real estate licensees and home inspectors
  - i. All real estate agents must provide the Home Inspector Consumer Fact Sheet to consumers as a part of the home buying process
  - ii. All real estate agents, other than the buyer's broker, are prohibited from directly recommending a specific home inspector to prospective home buyers
  - iii. The safest course for agents is to provide the fact sheet and let a prospective homebuyer make their own decisions on home inspectors
  - iv. Agents should not provide literature on specific home inspection companies or share details of personal experience with certain home inspectors, even if neither are direct

- recommendations. This includes marketing material or promotional material from residential inspection companies
- v. Real estate agents do not have to provide a physical list of all licensed home inspectors in the Commonwealth to prospective homebuyers
  - vi. A listing of all licensed home inspectors can be found on the Division of Professional Licensure's Check a License website: <https://www.mass.gov/division-of-professional-licensure-check-a-license>
- b. Role of the Buyer Agent Before the inspection
- i. Make sure that the buyer is aware of the dates and deadlines
  - ii. Remind the buyer that they should dress appropriately as portions of the inspection may be in the basement, and or outdoors, make arrangements for child care.
  - iii. Encourage them to line up all their inspections at the same time if possible or arrange for multiple appointments.
  - iv. Send a copy of the full listing to the Home Inspector prior to the inspection
- c. Role of Listing Agent at a home inspection
- i. Notification
  - ii. Access ( to property , utilities, snow removal, locked areas, condos and storage areas)
  - iii. Disclosure issues:
    - Receipt of home inspection report
    - Future disclosure issues if the property is returned to the market
  - iv. Listing agent should not interfere or offer opinions during the inspection. This is the time that the Buyer has paid for , and is for the buyer and their inspector.
  - v. The seller's agent is not required to attend the inspection, only required to provide access.
- d. Role of Buyer Agent at a home inspection
- i. Obtaining access to all elements being inspected
  - ii. Disclosure issues
  - iii. Post-inspection issues: sending inspection report/results to listing agent

**Suggested Handouts:**

Home Inspector Consumer Fact Sheet

**References:**

266 CMR 6.00: Standard of Practice for Home Inspectors