



# CONSTRUCTION INSPECTOR REVIEW

VOLUME 4, 1ST QUARTER 2007

## WORD FROM THE HOME OFFICE

2007 is off and running and following the same trend of growth that we experienced in 2006. In addition to our residential draw inspection volume increase we are now seeing an increase from our newest division, Granite Commercial Management (GCM). GCM is adding commercial clients on a weekly basis that will result in more commercial inspections to our Nationwide Inspection Network.

Thanks to all of you, our contractual turn-times are being exceeded and our report quality has never been better. Keep up the good work and keep an eye out for upcoming events and releases on the GCI website.

## The GCI Inspection Team

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## Increase in Number of Home Inspectors Makes Choosing the Best Difficult

by Phoebe Chongchua<sup>1</sup>

In the state of Illinois alone an increase in the number of home inspector practitioners jumped from 450 to 3,335 in the last four years.

While more competition could mean better prices for those in the market to buy or sell, home inspector and incoming President of the American Society of Home Inspectors (ASHI), Frank Lesh, cautions consumers to be wary of price cuts to save a little when such an important task in the real estate transaction is at stake.

"Caveat Emptor, or buyer beware, can best be avoided by working with an ASHI Member who follows the ASHI Standards of Practice and Code of Ethics, which have become the industry standard," says Lesh.

ASHI is a professional association for home inspectors in North America. It's now in its 31st year and has nearly 7,000 members. The association holds its members accountable to standards of practice and a code of ethics.

Lesh is focusing his term on protecting the interests of consumers by reminding homeowners how to best identify an experienced home inspector -- not a simple task as the industry grows.

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## New! GCI DEVELOPMENTS

### Catch the Inspection Wave:



Volume is up in 2007!

We have taken on a number of new clients and are thrilled to be offering all of our inspectors

additional work. Much like last year, you may experience additional inspection volume and you may be working on projects that are in varying stages of construction. We realize that these inspections can sometimes be more difficult as you will be working off of someone else's information, but as always, if you have any questions please don't hesitate to contact us to clarify the situation.

Our Customer Service group can be reached toll free from 7:00am until 6:00pm MST at 800.919.8903.

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## GCI'S TOP 5

### Top 5 Missed Photos

1. Wide Angle Photographs
2. Materials on Site
3. Photo Focus Items
4. Permits
5. Roofing



### **Increase in Number of Home Inspectors Makes Choosing the Best Difficult** (cont'd)

"The increase of home inspectors in the field has made it more difficult for consumers to differentiate between someone who just received his or her license and the experienced home inspector," said Lesh.

It's estimated that 70-75 percent of the homes bought and sold in the US are first inspected by a home inspector.

"I think there is this perception that licensing automatically means a better home inspector and that's not necessarily always true. In fact, in many cases the regulation has leveled the playing field in the mind of the home buyer or seller," says Rob Paterkiewicz Executive Director of ASHI. He adds that this mentality can put the consumer at a real disadvantage.

"There are differences in qualifications of home inspectors and doing some homework up front, pre-qualifying a couple of inspectors and having their names with you when you're walking into the process is really the best way to go," says Paterkiewicz.

The best place to start is by collecting

referrals from friends, neighbors, and real estate agents. But Paterkiewicz says don't just hire an inspector without first talking to and pre-qualifying all of them

He says to ask if they follow a standard of practice and a code of ethics and then ask to see it.

"There should be nothing hidden there. It should be right up front. Yes, I do. Here it is or I am going to email it to you or it's right here on my website," says Paterkiewicz.

He says standards are critical in the home inspection business to ensure that the consumer receives the best possible inspection.

The ASHI standards "identify everything the inspector is to inspect and it also identifies the things they are not going to inspect and those are important expectations that need to be addressed right away," explains Paterkiewicz.

Using associations and websites such as [ashi.org](http://ashi.org) to gather an understanding of the home inspection business will allow consumers to make better choices. ASHI even has a virtual home inspection tour for visitors to click through to learn what is expected when a home inspector is hired.

With so many new practitioners to the home inspection field, Paterkiewicz says don't focus strictly on the cost of the inspection when determining whom to hire.

"When there is this large group of inspectors out there, some of the inspectors are low-balling each other and throwing

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### **New! GCI DEVELOPMENTS** (cont'd)

#### **On Site is All Right:**

As you may know, many of Granite's clients will allow partial disbursements for materials on site. While, as a rule-of-thumb, we will not allocate a completion percentage since the material is not affixed to the structure, we still need you to make note and take a photo of these items that may be on site and stored.

This allows the client to make an informed decision as to whether or not to fund applicable amounts per their guidelines.

#### **The More the Merrier:**

Photos tell the story of what is currently occurring on the jobsite, so the "more the merrier" when taking photos. In addition, while close-in shots are great for making us aware of unusual or problem items; wider shots may be able to show us what is going on overall and highlight other items that are included within a project budget.



Don't forget the following key areas:

1. Front Elevation (Wide)
2. Rear Elevation (Wide)
3. Side Elevations
4. Living Room/Fireplace
5. Entire Kitchen
6. Master Bathroom
7. Basement/Mechanicals (if applicable)

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# INSPECTOR CENTRAL

## The Lines Are Open!



As always, please communicate anything that may delay the delivery of an inspection.

You can reach us by phone at **800.919.8903** or via email at [inspectorinfo@gcinspects.com](mailto:inspectorinfo@gcinspects.com) with any issues that are posing a problem.

We can then assist you and update our clients to any potential delays. Some key hold-ups may include:

- ✓ **Appointments not being met by Contractor or Borrower**
- ✓ **Locked Gates**
- ✓ **Incorrect Borrower or Contractor contact information**
- ✓ **Incorrect or Poor Directions**

## LOOKING FOR CONTRIBUTORS!

We are looking for contributors to the CIR newsletter. If you have an idea for an article or something you want us to review - let us know.

In addition, if you have authored industry-related articles and would like to submit something to the publication, contact our Marketing & Sales Department at 866.380.9504 or email us at [sales@gcinspects.com](mailto:sales@gcinspects.com).

## “OUTSTANDING... IN THE FIELD”



**Charlie Knox of Knox Home Inspections** in North Branch, Michigan continues to exemplify GCI’s high standard of quality and service. Charlie started his home inspection business in 2002 after retiring from General Motors where he performed inspections for nearly 30 years. Averaging over 300 inspections per year, Knox Home Inspections specializes in home and septic inspections, water testing, mold, and radon inspections.

Married to his wife Rosemary for 37 years, Charlie has 2 daughters and 4 grandchildren. He enjoys local politics, camping, boating, spending time with his family and riding his motorcycle.

A Michigan-licensed Builder and Realtor, Charlie is also certified by the National Association of Certified Home Inspectors (NACHI).

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## Appointement Required:

There may be times when a Contractor or Owner/Builder will request a meeting with the inspector for their project draw. This is mandatory for the successful completion of the inspection.

This meeting request could be due to a number of reasons such as: cost overruns, deposit items, budget reallocations, final inspections that require the owner for access, or any other issue that may arise in regards to the specifics of the project. As you know, the goal of the inspection is to determine what progress has been made on the project and report those findings back to GCI with the appropriate photos.

We encourage you to document issues discussed in the “Inspector Comments” field of the Site Review section, but please do not update inspection completion percentages for items described as deposit or budget reallocations. Reason being, is that the Lender must make an outside determination on whether to fund on these items and needs to see exactly what has been completed.

Furthermore, please *do not* discuss your findings or make promises to the other party as to what funding they will receive. You can mention to the other party that you are allowed to notate items you discuss and that GCI will pass that information on to the Lender for the final decision. Any questions regarding this policy please contact GCI Customer Service at **800.919.8903**.



## The Joy of Commercial Inspections

by Keith Swift, PhD<sup>2</sup>  
NACHI Member/ Report Writing Consultant  
President, Porter Valley Software

The first thing that I want you to know is that I have a vested interest in a commercial report-writer, a fact that has nothing to do with this article. I was writing articles for inspectors long before I even owned a computer let alone had an investment in computer programs. Regardless, if you're not doing commercial inspections you're missing out on a wonderful business opportunity, besides which there are so many reasons why you should be doing them. They offer you the chance to expand your business, enhance your reputation, increase your profit and, believe it or not, probably decrease your stress. First of all, commercial clients are so much easier to work with than residential ones. Residential clients commonly develop emotional

<sup>2</sup>Reprinted with permission from the National Association of Certified Home Inspectors, May 2007. All content copyright © 1999-2007 the National Association of Certified Home Inspectors. All Rights Reserved. [www.nachi.org](http://www.nachi.org)

attachments to their properties and can become hysterical over insignificant deficiencies; just ask yourself how many petty but irritating complaints you've had since you first went into the residential inspection business. Well, commercial clients are nothing like residential ones. Generally speaking, they're only interested in the bottom line, or in knowing the cost of essential repairs, necessary upgrades, and continued maintenance. It's true that commercial inspections are not as plentiful as residential ones, but they're much more plentiful than you might suspect.

Commercial inspections are not only performed as a condition of sale, like residential ones, but are commonly called for when a building is leased, as a necessity for annual maintenance and reserve studies, or as a prerequisite for insurance purposes. And even though they may not be as plentiful as residential ones, they pay a lot better, and commercial inspectors are traditionally held in higher esteem and treated with far greater respect than their residential counterparts. In spite of this, you still might feel

a little reluctant to inspect a commercial property, which is understandable.

It would be quite natural to feel nervous about your first commercial inspection, but you were probably equally nervous about your first residential one as well. The truth is, you probably already have the expertise, experience, and necessary tools to do the job and, in reality, commercial inspection can be a lot simpler! True, commercial buildings tend to be larger and their systems more complicated, but that's when you need to take a team approach and hire specialists. Commercial inspectors commonly act as general contractors, and subcontract to specialists. After all, you may never feel confident about evaluating elevators, but after a few inspections with an electrician you just might feel confident enough to evaluate three-phase electrical systems by yourself, and thus reduce your costs and increase your revenue. Marketing to commercial real estate agents is a lot like marketing to residential ones, but commercial agents are fewer in number and higher on the

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**MEMBER OF THE NATIONAL  
ASSOCIATION OF CERTIFIED  
HOME INSPECTORS (NACHI)**



For more information about NACHI, visit them at [www.nachi.org](http://www.nachi.org) or explore their resources at [www.inspectormall.com](http://www.inspectormall.com).

## UPCOMING EVENTS:



GCI will be exhibiting at the 2007 Inspection Training Association (ITA) Annual EXPO in Las Vegas, NV! We will also be holding recruitment sessions during the EXPO, so if you know of another inspector with construction inspection experience in either residential or commercial industries and who is looking for supplemental income, please send them our way. For more information on the ITA EXPO visit : [www.home-inspect.com](http://www.home-inspect.com)

**INSPECTION TRAINING ASSOCIATION (ITA) INSPECTION EXPO  
LAS VEGAS, NEVADA  
10/1 - 10/3**

## New! GCI DEVELOPMENTS (cont'd)

### The Whole Enchilada:

A most common question that we have received from our inspectors in the field has been "What constitutes a complete inspection for GCI"? When you are completing an inspection for GCI there are three main items to focus on.

#### 1) The budget percentage update.

Although the client will only select a few items that are being drawn upon, GCI requires an overall budget update so that we can evaluate how the entire project is progressing. Please review the entire budget and update all applicable line items that may have progressed from the last inspection.

#### 2) The site review.

Please answer the questions to the best of your knowledge and add any comments that may assist GCI in reviewing the inspection.

**3) Photos.** This is your chance to give GCI a virtual tour of the project and how it is or is not progressing. This is also the time to advise GCI if materials are on site, if you have a question about an item, or to further outline a situation through photos. ■



### Increase in Number of Home Inspectors Makes Choosing the Best Difficult (cont'd)

out crazy [low] pricing for their inspections,..." says Paterkiewicz.

He says price is a dangerous area to compete for this type of service. "You get what you pay for. You want to make sure that this person is not short-changing you by providing half of an inspection, so to speak," warns Paterkiewicz.

Another important tip is to choose at least a couple of home inspectors before you need them. Paterkiewicz says this is similar to getting pre-qualified before you shop for your home.

"Typically what will happen is you'll find your dream home and you place that purchase contract on that home and there is a contingency for a home inspection but it [gives you only a short time] to get that inspection done. So now, all of a sudden, you're scrambling to go out and get that inspector," says Paterkiewicz.

Having time and options always creates a better opportunity in real estate. ■

### The Joy of Commercial Inspections (cont'd)

social scale. So, instead of mailing out a throw-away-flyer bragging about low or competitive prices, you may want to request an interview in a sophisticated letter that extols the professional quality of your services. And you may even want to volunteer as a speaker, on such subjects as environmental hygiene, and not only to agents but to groups of doctors, lawyers, investors, and homeowner associations. Remember, there are a lot of people that are afflicted by allergies and adversely affected by indoor air quality and, as we've learned from being residential inspectors, people really do appreciate learning. ■



#### Watch Your Time:

*Don't Forget!* We are required to have draw inspections back to our clients within 36-48 hours. Your success is our success and equals more work for everyone. So keep an eye on the time and thanks for those continued high services standards!

## Comments & Compliments

We are always looking for feedback from the field. If you have a suggestion to make your job more efficient or have something nice to say, let us know.

We appreciate your input and look forward to hearing your ideas.

#### Construction Inspector Review

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