

# The NC-ASHI® Home Inspector

NORTH CAROLINA CHAPTER OF THE  
AMERICAN SOCIETY OF HOME INSPECTORS

December 2008/January 2009

---

## PRESIDENT'S CORNER by John Guy

First of all thanks to all that attended our fall conference and the Peer Review. I would like to offer a special thanks to Tom Edwards for teaching the mandatory course.

Congratulations to Marion Peeples, Andy Hilton, David Jones and Bill Dillon for being our first IBR's by passing the Peer Review. All received pins and framed certificates at our November meeting.

We also have NC ASHI pins for all members that are dues paid ASHI members. ASHI rules restrict the use of their name and/or logos to members of the national organization. Please see Andy Hilton at our January meeting for your pin. If you need assistance in becoming an ASHI member, please let us know.

Congratulations are also in order for Bruce Rudd, who received the Winston-Salem Regional Association of Realtors "Affiliate of the Year" award for his work with the association, especially the Realtor/Home Inspector Committee. The award is given to an WSRAR affiliate member "To recognize dedicated support for and service to WSRAR" Similar efforts are under way in High Point and possibly in the Triangle area.

In an effort to "raise the bar" for NC ASHI members, we are planning two major efforts. The first is an ICC Code Class designed to prepare us to take the ICC exam. The class is likely to be a three-day (Friday – Sunday) class taught by Douglas Hansen and Peter Drenan of Code Check. We are hoping for a February '09 class. This will be a personal development class and would be approved for ASHI MRCs but not NCHILB licensing credit. If you are looking for a credential to "set you apart" and give credibility to your work plan to attend this seminar.

The second effort will be mandatory report review (we already do this in Peer Review) to determine whether your reports meet our Standards of Practice. The State issued Compliance Worksheet will be used as a guideline. A team of reviewers will confidentially review the reports and let you know of any shortcomings. There will be no pass or fail as it is strictly a service to improve your reports as necessary. You will choose who you would like to review your report. This would be similar to any review conducted by the Licensure Board (or a lawyer, heaven forbid!) so it is in our best interest to do this in a friendly environment. We will vote on a by-laws change regarding this at our January meeting.

During this holiday season we should all focus on the blessings we have been given including our health, families and this great profession. Thanks for all you do to support NC ASHI and the profession.

Happy Holidays!

## UPCOMING TRAINING by John Guy

Please note that we will not have a December meeting.

For our January 21<sup>st</sup> meeting we will have our own Larry Ross on arbitration, complaints and the legal aspects of the business. The meeting will be at the Holiday Inn Express in Asheboro, 3 pm. From US 220 Take US 64E. Hotel is 2 miles on the left.

The ICC Code Class tentatively planned for February. Get code certified!-

---

## SUMMARY OF NOVEMBER'S MEETING by Earl Jackson

The educational part of the meeting was a review of the most recent Peer Review problem photos. Four of our group passed the last Peer Review and were presented their certificates at the meeting. A committee was formed to come up with a "report review" by the peer of your choice from the group to help in improving our report writing. This "report review" would be done annually and may be a Chapter requirement in the future. There was a discussion on Chapter sponsorship of a 3-day training class on the ICC Building Code...training plus a test to be certified as a Code "expert" of sorts.

---

## OUR RISKY BUSINESS by John Woodmansee, Editor

In this troubled economy we all worry about sustaining our income and keeping our business alive. As if those concerns were not enough, we inspectors have the chronic threat of income erosion from claims that we are negligent. Even with the expensive security of E & O insurance (which few of us buy), we still have to deal with the public attitude that "I expect my inspector to find every problem, every time; and 2-3 hours is time aplenty to do that". In our contracts and marketing we talk of vastly improving the client's understanding of the property's condition. But all of us who have been involved in the Chapter's Peer Review exercise know the humbling truth. **Even with our very best effort we cannot find everything, every time.**

NC-ASHI® colleague Larry Ross (Charlotte) is going to present on this risk issue at the January 21<sup>st</sup> Chapter meeting. Be there. I am anticipating Larry's advice by adding this wording to my inspection confirmation letter and to the introduction to my Summary: "We do our best to find every significant problem, and know from years of experience that it is impossible to find everything, every time."

---

## MEMBERSHIP UPDATE by Larry Conway

ASHI Members or ASHI Candidates	54
*Affiliate Members	19
Total Chapter	73

\*Affiliate members have joined the local chapter but do not currently belong to ASHI National. This month we welcome Keven Kossler back to the Chapter.

**North Carolina ASHI®  
GREAT INSPECTORS;  
THE BEST OF COLLEAGUES**

## A BUSINESS PLAN FOR YOUR CONSIDERATION

by Bruce Rudd

Professional Inspection Associates (P.I.A.) is a Co-Op of six independent, single operator home inspection firms. It has proved to be very successful and rewarding. I would like to say that we are business geniuses and that we planned the Co-Op; but, the truth is, it just evolved. Over the past couple of years many other home inspectors have shown an interest in P.I.A. and asked me about it and how it works. Rather than answering them individually, I decided to write this story in hopes that anyone interested might profit from it.

I started my home inspection company in 1993. I had done some new construction and a lot of remodeling over the years. My goals were to be my own boss and to never ever have another employee! Like most, I studied, read everything I could get on the topic, went to schools, and planned some basic marketing. My first inspection was one of the most difficult things I ever did. It took over five hours to do a simple 60's ranch. I guess my struggling showed because it was the only time in my new career that I ever got a tip. I can't remember ever feeling such despair and self-doubt. When I sat down that evening to write the report, I must have had a thousand questions and No One to ask.

I was an ASHI candidate at the time and I know now that I could have called an ASHI brother and he would have helped me. At the time, I was certain that no other home inspector would help me to become his competitor. If I may digress for a moment, what got me through those early times was Alfred Alk and his ASHI home inspection manual. It still resides on the shelf beside my desk and I still consult it on a weekly basis. I don't know who or where he is, but I would like for him to know that his comprehensive and detailed writings sustained my business while I got up to speed. Someday I would love to meet him, shake his hand, and say, "Thank-you".

It was easier to start a home inspection business in North Carolina than it is now with State Licensing, and after about a year, I was constantly employed without additional marketing. In fact, I noticed that I was saying "no" to regular agents more often because of my long scheduling lead times. I was concerned that if I kept saying "no" to my regular agents, they would quit calling me and I would miss them in slower times. Also keep in mind that I still felt like the Lone Ranger out there and was lonely. Along came Bill.

Bill owned and operated Ram Construction and was doing the repairs on an old house I had inspected. I had just finished a follow-up inspection of the repairs when Bill approached me at my truck. He said, "Tell me about the home inspection business". I suggested that he ride along with me for a few days and see what he thought. As it turned out, it was the birth of one of the best friendships of my life. He knew all the things about construction that I needed to know and I knew something about the home inspection business. For him, I knew how he should start a home inspection business; and for me, I wasn't alone anymore and I had a good place to send my regular customers instead of telling them "no".

It wasn't very long before we were both saying "no" to our regulars. Bill's friend, Andy, was almost 20 years in a construction related business and he was interested in the Home Inspection Business. Bill said, "ride with me a while and see what you think", and now we had a third inspector and could stop saying "no" again. Later on the story continues with John, an amazingly talented and energetic

inspector (he will literally inspect anything), and then Marion, the only exception to our new inspector policy in order to increase the service area, and most recently Jeff.

Bill and Andy and I were the beginnings of P.I.A. We soon realized that we got more bang for our buck by advertising together and purchasing supplies together. We also realized that, although we are single operators, we all had support without having employees. When I went on vacation, Bill and Andy covered my phone calls, handled my bookings, and picked up my radon tests. When Andy was sick or had a family emergency, Bill and I doubled up and took his inspections and handled his customers. When Bill had client complaints or questions, we all put our heads together for objective answers. Life was very good! The most important thing we learned was what we call "**Capture**".

There's a reason why Home Depot builds stores across the street from Lowe's. It's good for both of them! We learned that when someone calls for an inspection, it's more important that they get what they need than it is who does the inspection. Just like a person needing a door knob will go to where Lowe's AND Home Depot are because they are more likely to be satisfied. That's what we call **Capture** – keep that business regardless of who does the work, and clients will keep calling. Over time it all balances out and everybody (customers and inspectors alike) gets what they need.

So the important things for the success of P.I.A. are that a caller gets a competent inspection either directly or through referrals among us, and that we have an inspector member of the Co-Op available within a reasonable time. Three things are necessary for this to work: strong credentials, absolute trust among us, and a relatively new inspector member.

So that's the history. Sorry I got a little windy, but it's important to understand the evolution. Now more about how it works.

P.I.A. has no officers, no written agreements, no dues, and no business connections between members. It's purely an honor system based on trust, mutual respect, and friendship; and that's how we like it. We all use basically the same fee schedule, the same report writing software and format, the same radon equipment (E-perms), the same pre-inspection contract, and we require the same, strong credentials of each other. We cross train by periodically conducting inspections with each other and by exchanging a new house and an old house inspection report with each other twice a year. Any of us can follow up on another's inspection report and can pick up and process another's radon test. We have an informal breakfast meeting once a week, and we e-mail questions and information back and forth constantly. When one of us needs supplies, tools, marketing literature, etc..., he orders for the whole group and we split the cost.

Strong credentials are a necessity. In our case we are all ASHI members (national and local); licensed contractors; members of the Better Business Bureau; associate members of the local Realtors® Association; and insured for worker's compensation, general liability, and errors and omissions. All of us offer an unconditional, money back guarantee. We have found that it's important for callers to know that we only recommend other inspectors with qualifications at least as good as our own.

Let me interject some personal opinions about credentials. First, I believe in ASHI membership as the absolute best

indicator of an inspector's commitment to excellence and professionalism, and I love my ASHI brothers. Over the years I have called on complete strangers in Texas, Indiana, South Carolina, and Tennessee for help with distant family house issues and inspections for friends. These strangers were ASHI brothers, and without exception, have responded above and beyond my best expectations. On the other hand, I haven't always agreed with ASHI national or approved of all the things it has done. But I do get to vote and I would be a fool to second guess the fine volunteers who donate their considerable time to work in the trenches at national on my behalf.

Second, we bend over backwards to provide any assistance we can to the local Realtor's association, and I know that offends some purists out there. I have read articles over the years by purists who wear their disdain for Realtors like a proud badge, and I've got to say, it's the dumbest thing I know of in this business. The alleged "conflict of interest" problem simply takes care of itself. Realtors who don't want the kind of inspection we do just don't call us anymore, and those that stay with us are fine, respectable professionals who really do want full disclosure and are pleasant to work with. Realtors are just people, just like us, and I know as many unethical inspectors as I do unethical Realtors. It makes absolutely no sense to condemn any profession (except maybe lawyers) as a group.

My last observation (I promise) is the importance of insurance. It's not just a good idea; it's what a responsible inspector owes everybody – his clients, his referring agents, himself, and especially his family. You have heard all the arguments against it and I agree its no fun to write the checks. But I know I don't have the right to gamble with my family's future, and I know that in this society people assume that businessmen have insurance. An inspector who won't properly cover his business with insurance has the responsibility to inform potential clients that he is not insured. Fair is fair.

Back to the issue – P.I.A. Everything has a down side and so does our Co-Op. It's necessary to really believe in the concept in order to accept the problems. I have referred regular agents that I really liked to other Co-Op members when I was busy, and they didn't come back to me. I miss them, but I have to believe that, over time, the same thing happens just as often in my favor. We want clients (agents) to work with whichever personality among us that "fits" them best.

Second, because all home inspectors are paranoid, it would be easy when business is slow (fortunately that doesn't happen much anymore) to wonder if an associate is cutting prices or otherwise "stealing" clients. If those thoughts ever gain a strong foothold, the Co-Op is doomed to fail. We have even found that some clients rotate among us as we take turns making them mad. It doesn't matter because we have still **Captured** that business.

Also, we see instances in which one of us inspects a house that another of us did in the past couple of years and finds a defect missed the first time. (By the way, if anyone thinks they are catching everything, they need a strong reality check!) It sometimes results in angry clients and claims to be paid by the first inspector. We have to realize that it's not the fault of the second inspector and it's not malicious – it's just the nature of what we do. These are the reasons why I list absolute trust as a necessity for a successful Co-Op. The third necessity I listed was a relatively new inspector member. Almost all of us have at one time been that new

member. Somebody has to be available for the **Capture** concept to work. For the new inspector, it's a nurturing environment and an unmatched opportunity to learn fast and learn well. If I can mount my soap box again for a moment – I believe that established home inspectors (especially ASHI members) have a duty to the profession to help provide competent inspectors for the future and to enhance the quality and reputation of the profession. We have spent a lot of time on ride-alongs and getting to know potential new members before including them. Be prepared – the new guy will end up with some of your favorite clients! For the older members, we get a constant barrage of good questions, which keeps us on our toes, and we don't have to say "no" to our regulars. Again, everyone (clients and inspectors) wins!

For those who find the P.I.A. model desirable, I suggest selecting another local inspector of similar experience and reputation. Spend some time together and discuss the idea. Conduct some ride along inspections to observe each others methods, agree on some strong common credentials, and find a report format in common (a quick endorsement – we've tried most of them, and settled on *Inspect-It* which we all love). Start referring each other to those who can't wait, and start covering for each other when needed. Next, go to home inspector meetings (it doesn't matter which ones) and meet some newer inspectors. Look for commitment, some kind of talent, and a willingness to learn. Pick one out and go through the above procedure again. Finally, arrange to communicate very frequently and meet regularly. The rest will take care of itself. When you grow (and you will), grow slow and only when the current members are satisfied with their business level. **Two cautions:** Without the firm belief that it doesn't matter who does the inspection as long as the client keeps calling, the Co-Op will fail; and second, do not go into business together – Realtors wisely want to refer more than one inspection company to avoid responsibility for the selection.

For those who aren't convinced, consider this. I have found the time to write this because I'm stuck at home this week recovering from pneumonia. In my unplanned absence all of my appointments have been kept, all of my clients have been served, I don't have to handle my business calls, and next week when I return, I'll have inspections to do. Like I said before, Life is Good!

Now here's the hard part for me and a return to the original issue I mentioned. Several local inspectors, including some ASHI brothers and some of the best and most reputable inspectors I know, have inquired about joining P.I.A. After thinking about this carefully and some discussions with my associates, our answer has to be, "Start your own Co-Op." Believe me when I say I don't mean this to sound short or rude or arrogant. The reason this is a hard statement is because there is nothing I would like more than to have my company associated with these other fine and reputable inspectors. But if one believes in the **Capture** concept then the necessity of growth through newer, younger inspectors is obvious – someone has to be available on short notice. There is no other reason to grow. For the inspectors I mention above and any other interested readers, P.I.A. is an open book and still a work in process. We stumbled onto it and encourage others to give the concept a try. We will happily answer any questions or offer any guidance we can.

Carrying the **Capture** concept to the next level, we genuinely look forward to someone building a new Lowe's across from our Home Depot. It will be good for us all.

---

## NC-ASHI PEER REVIEW: RE-VISITED

by Bruce Rudd & Andy Hilton

Our Chapter conducted another Peer Review day on Thursday prior to our Chapter's fall educational conference, and some of the candidates achieved the coveted IBR (Inspector by Review®) designation. As always, it was the best eye opening, learning experience I have ever experienced.

I was fortunate to be the substitute Chairman for the event so that our usual Chairman, Andy Hilton, could participate, and I was impressed by so many things. First I was impressed by what an overwhelming task it is and I didn't even have to do it all. Andy had already done all the prep work. So I would like to thank Andy for the unbelievable amount of work he does behind the scenes to bring us this wonderful program!

Second, I was impressed by the review panel with whom I worked: David Betts, Larry Conway, Ed Gerhardt, Bill Mickey, and Jeff Payne. Some were Chapter brothers I hadn't had the opportunity to get to know well, and I really enjoyed that part of the day. In every case their skills were amazing – both at evaluating the practice house and convincingly advocating their points in our group debates.

Last and probably most impressive, were the six candidates who completed the exercise with a total spread of just four points: Bill Delamar, Bill Dillon, John Guy, Andy Hilton, David Jones, and Marion Peebles. My fellow panel members and I sat in amazement as they all described issues concerning the practice house they had discovered on their own under very tight time constraints that the panel had missed all together. It was both educational and humbling.

Some achieved the IBR designation and some didn't. With a total point spread of four, it's clearly just the blink of an eye difference between pass and fail in every case. But those of you that have participated in Peer Review on either side of the table understand that pass or fail is really just a pleasant distraction or a bonus for some. The real benefit and the one that every participant takes home at the end of the day is the best possible learning experience ever – Learning about inspecting, learning about reporting, learning about debating and teamwork, and maybe best of all learning, about your ASHI brothers.

So, Andy thanks for letting me fill your shoes for that day!  
Bruce Rudd

-----  
In addition to Bruce's commentary I thought it important to include some results from a Great Lakes Chapter (GLC-ASHI) survey recently conducted regarding the Peer Review process. The following is a short summary of findings. I do have a PowerPoint presentation that goes into greater detail of the survey findings if anyone is interested in seeing it; or we could view at a Chapter meeting as a group. I'm only including the results from the survey that include the findings of the past or current Peer Review Chairs and results of the entire group surveyed.

David Bunker, Peer Review Chair for GLC-ASHI, submitted the following@:

A variety of ASHI members were surveyed including past Review Chairs, candidates, and those who have never attended a Peer Review. ("0" is No Comment / "1" is Strongly

Disagree / "2" is Disagree / "3" is Neutral / "4" is Agree / "5" is Strongly Agree).

1. Should the review committee inspect the house as a group with open discussion or individually and only discuss their findings in committee?  
Average: Peer Review Chairs 4.1 / Entire group that responded 3.6
2. What % of the Committee must agree for a defect to make the "must find" list?  
Average: Chairs 3.5 for 2/3 of committee to agree / Group 3.1 for 2/3 of committee must agree.
3. To pass Peer Review what % of 'must finds' should be identified by IBR candidates?  
Average: Chairs 4.3 100% / Group 3.5 100%
4. To pass Peer Review what % of must finds should be identified by Master Inspector BR candidates?  
Average: Chairs 5.0 100% / Group 3.5 100%.
5. How many items (maximum) should be on the "must find" list?  
Average: Chairs 3.6 for 6-10 items / Group 3.2 6-10 items.
6. Should the Peer Review committee create defects in a house that has only a few?  
Average: Chairs 3.6 No & 2.5 Yes / Group 2.7 No & 3.4 Yes

The GLC Bd. of Director's decisions based on the survey questions are:

1. Review committee should inspect the house TOGETHER.
2. 2/3 of the review committee must agree that a defect is a "Must Find" (this is a change from 1/2 with the committee chair as the tie breaker).
3. IBR and MIBR remain at 100 percent to pass (candidate must find and identify to the committee all of the 'must finds').
4. The number of 'must find' items should be limited to a set of 6-10. This is a very strong RECOMMENDATION. I realize this may be hard to do, however, as committee members and the chair, we should come up with all the defects, the carefully PRIORITIZE to select a reasonable number of the most critical 6 to 10 (this may go over this number – committee chair, use your discretion (our previous high number was 12-15 'must finds' – we reduced the number slightly here).

Andy Hilton, Peer Review Chair

---

**Just published!!! PRODUCT & DESIGN FAILURES, 2009.**  
Compiled by Andy Hilton & John Woodmansee

Knowing about the building components that have a history of premature or unexpected failure makes you a sharper inspector. Sometimes it's not a particular product that fails, but the way the product is used which causes problems (design failures). Included are safety recalls that come via the Consumer Product Safety Commission (CPSC), the recalls that manufacturers generate, and general observations by experienced home inspectors.

This booklet is included with this Newsletter if you are a Chapter Member or Associate. Some of the material was published here in past months, and the new, expanded version includes a lot of CPSC data not found in the earlier lists. Also Included is a handy list of recalls on dishwashers. JOIN NC-ASHI@ TO GET YOUR COPY.

---