



## Omaha Home Inspectors Blatantly Violating ASHI's Code of Ethics

Buyers: please read this before you hire your home inspector. Agents: please research the home inspectors before you refer them.

### ASHI Code of Ethics 1 & 1C

1. states: "Inspectors shall avoid conflicts of interest or activities that compromise, or appear to compromise, professional independence, objectivity, or inspection integrity."

1.C. states: "Inspectors shall not directly or indirectly compensate realty agents, or other parties having a financial interest in closing or settlement of real estate transactions, for the referral of inspections or for inclusion on a list of recommended inspectors, preferred providers, or similar arrangements."

### Omaha's Preferred Vendor Relationships

A majority of the larger real estate offices in the Omaha metro have "preferred vendor relationships" with select home inspection companies. The name for these relationships range from "preferred partners", "service network", "service providers", "services", and "affiliates". Regardless of what the real estate companies call it, these behind-the-scenes agreements entail the home inspection company paying the real estate company to be on their exclusive list. Not just anybody can buy their way onto the list. Over the years, I've found out that the only way to make it onto the list as a home inspection company is to be invited.

### How Preferred Vendor Relationships Work

The exclusivity almost entirely blocks the rest of the home inspection companies from effectively reaching out to any of their real estate company's agents. The inspection companies that aren't on The List generally aren't allowed to do presentations, attend luncheons, drop flyers in the agents' boxes, or send mass e-mails. The "Preferred" inspection companies, however, can reach out to these agents in every effective media outlet they choose including being listed on the real estate company's website. As you can see, this creates an unfair advantage for the "preferred" companies.

### Rule of Three

Real estate agents have had a misconception drilled into them from day one that by handing out at least 3 business cards, they are limiting their liability. If the agent is handing out that home inspector's business card because they truly believe that inspector does a great job for the client, then I commend them for being loyal and rewarding a good inspector. However, other agents hand out those 3 business cards and all 3 home inspectors are listed on that agent's company's "preferred vendor program". There's no way this is in the best interest of the Buyer!

### Objectivity Is Critical For Buyers

What preferred vendor relationships all boil down to is objectivity. If a Buyer is being steered towards hiring a "preferred" home inspection company, then the Buyer has to ask "Is this inspection company truly

working for me?” When a home inspection company has paid large sums of money to be on the exclusive list, their inspectors are constantly worrying about jeopardizing that marketing relationship. This may cause the inspector to sugarcoat issues or omit them entirely. Think it doesn't happen?

### **Preferred Omaha Home Inspection Companies Missed Major Problems**

I'll share 4 real instances where I was hired by my client to inspect the properties after a “preferred” inspector had already inspected the home.

1. There was a vacant 1950's home with an older furnace. The “preferred” inspector left his inspection report sitting on the table. I inspected the home 1 month after him in the middle of the summer. His report stated the older furnace had a little trouble starting, but appeared to operate fine. When I inspected it shortly after, the furnace was shooting a flame out the front 3' and had 5 cracks in the heat exchanger! It's not like anybody had been using the furnace between inspections and those cracks definitely didn't appear overnight.
2. One of the bigger franchises performed a pre-inspection and I came in as the Buyer's inspector. The franchise inspector missed that the driveway, sidewalk, patio, and front stoop all sloped towards the foundation. They missed 2 broken rafters in the attic because a tree had fell on the house. I know this because they never went in the attic. I was the first person to clean out the cobwebs and leave foot prints in the loose blown Cellulose insulation. They also vaguely described “possible” rot on the wood siding when I found over 30 places where I could put my hand through it.
3. Another pre-inspection missed the fact that the brick foundation wall was deteriorated and bowing inwards. The major problem with this was the driveway was sinking and it ran alongside this same foundation. That inspector never saw it.
4. This last one takes the cake. It involves a house where the real estate agent lined up the inspection with “his” inspector and told the client when to show up for the walk-thru. At the walk-thru, the “preferred” inspector informed the client that the house was in great shape and he showed him some minor issues like missing GFCI outlets in the kitchen. Nervous, the client hired me to re-do the inspection. 16 of the 20 truss rafters in the attic had loose gusset plates and were breached. There were 2 rafters connecting the house to the garage that were cracked. I was the first to leave footprints in this attic also. There was new paint and carpet in the basement...along...with a strong musty odor. It was so strong that actually reeked when you walked inside. The drainage ditch from the street running perpendicular to this house funneled to the front yard. The sluice pipe that drained this area was half clogged and the front yard grading sloped towards the foundation. All of these major issues were missed by “his” inspector. The real estate agent cut the client a personal check to reimburse him for “his” inspection.

### **Protect Yourself By Hiring An Independent Inspector**

Paying a real estate company or agent even a penny is against every bone in my body. It screams UNETHICAL BEHAVIOR! You want to hire an ASHI Certified Inspector that truly doesn't have a vested interest in the outcome of the sale. After all, don't you want to know the true condition of the property and be made aware of all of the major problems?

*Greg Wayman is a Certified Inspector of The American Society of Home Inspectors, Inc., has been inspecting full-time for over 9 years, and has personally inspected over 2,300 properties. Greg is Heat Exchanger Experts Certified and is a NE Radon Measurement Specialist. He is a past member of the GO-ASHI Chapter in Omaha. He is the past Nebraska Chapter of NAHI President from '03-'07, past Board member of NAHI from '07-'08, and past national Secretary/Treasurer of NAHI '08.*

