



# A perspective on home inspection fees

by Alan Carson, President of Carson Dunlop



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HOME INSPECTION

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I'm often asked about home inspection fees by clients, real estate sales professionals, other home inspectors and allied professionals. It's an intriguing question. As an engineering company that has pioneered home inspection since 1978, we know that home inspection is a complex professional consulting service. It is a learned craft requiring equal parts technical knowledge and communication skills. Home inspection is most definitely not a commodity.

Our home inspection fees start at just over \$500 for a home and just over \$300 for a condo. In our market, our fees are about 1/20 of 1% of the purchase price of a home. They are substantially less than most of the other fees involved in a real estate transaction, yet most would agree a home inspection is an essential element of buying or selling a home.

A well-done home inspection provides incredible value and is unique in the speed with which the service is provided. Very few professional consultants can respond to a request in less than three business days, let alone complete an onsite inspection and provide a detailed technical report within that timeframe.

I'm sometimes asked about our hourly rate. Typical rates for engineers in our area range from \$150 to \$250/hr. according to the Ontario Society of Professional Engineers. A typical home inspection might include 2 1/2 hours on-site, 30 to 60 minutes of travel time and 2 hours to write the report. Ignoring travel for the moment, that's 4 1/2 hours. At a rate of \$150/hr., that would be \$675. At \$250/hr., that would be \$1125. A \$500 home inspection fee is roughly \$111 per hour.

Here's another way to look at home inspection fees. When I take my car into the dealer to get the oil changed, the labour rate is \$109/hr.

You can look at travel time a couple of ways: On the one hand, we're not providing any direct value for the client while traveling. On the other, it is a necessary part of delivering the on-site service, and the consultant cannot be doing any other work while traveling. Many professionals charge their full rate or a slightly discounted rate for travel time as a compromise. Most trades and service people charge \$100-\$150 an hour for a service call, typically used to determine what needs to be done and provide a quote. As you can see from the analysis above, our fees are below many consultants' rates and automobile mechanics' rates, and we do not charge for travel time.

People sometimes point out to us that other home inspectors offer lower fees. After 40 years, we have found that many home inspectors don't have the experience and knowledge that comes with decades of dedication to the profession, nor do they have the infrastructure to find a complete customer service experience, but they are able to compete on price. No matter what our price is, we find many of our competitors manage to set their fees below ours. Price may be the only competitive tool some inspectors have.

Here's a quick quality check: compare sample reports from different home inspection companies. The difference is often immediately apparent. Ask to see 100 testimonials or referrals.

Most of us have experienced the disappointment of paying a low price for something only to find out the quality is also low. The stakes are high when buying a home. Cutting corners on a home inspection simply doesn't make sense. As with so many things in life, you get what you pay for.

Most people do not buy the least expensive house on the market or the least expensive car available. They buy the one that represents the best value to them. It make sense to choose your home inspection consultant the same way.

## OVER 40 YEARS IN HOME INSPECTION SERVICES

- ✓ Carson Dunlop is one of the oldest and largest home inspection companies in Canada
- ✓ Our goal is to help our clients make great decisions to enjoy a warm safe and dry home
- ✓ Carson Dunlop home inspections provide unique value for homebuyers and sellers

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