



Pennsylvania Association of REALTORS®

The Voice for Real Estate® in Pennsylvania

A Consumer's Guide to the Home Inspection Law

The Pennsylvania Home Inspection Law, which became effective December 20, 2001, regulates certain aspects of the performance of home inspections in order to increase professionalism throughout the home inspection industry.

Prior to passage of the Law, Pennsylvania has had no statutory provisions regulating the performance of home inspections or requiring a certain level of professionalism by home inspectors.

This Guide is provided as a courtesy of the Pennsylvania Association of REALTORS® to help you determine if a given home inspector is in compliance with the Law.

Question: What is a home inspection?

Answer: A home inspection is “a noninvasive visual examination of some combination of the mechanical, electrical or plumbing systems or the structural and essential components of a residential dwelling designed to identify material defects in those systems and components and performed for a fee in connection with or preparation for a proposed or possible residential real estate transfer. The term also includes any consultation regarding the property that is represented to be a home inspection or that is described by any confusingly similar term.”

Q: What is not covered in a home inspection?

A: The term does not include “an examination of a single system or component of a residential dwelling such as, for example, its electrical or plumbing system or its roof. The term also does not include an examination that is limited to inspection for, or of, one or more of the following: wood destroying insects, underground tanks and wells, septic systems, swimming pools and spas, alarm systems, air and water quality, tennis courts and playground equipment, pollutants, toxic chemicals and environmental hazards.”

Q: May a home inspector conduct other property examinations, such as a real estate appraisal or a radon inspection, that are excluded from the definition of home inspection?

A: A home inspector may conduct any property examinations and engage in any other activities for which they are qualified and properly licensed.

Q: Who may conduct a home inspection?

A: In general, any home inspector (defined as “an individual who performs a home inspection”) may conduct a home inspection. HOWEVER, where the inspection is conducted as part of a contingency in an Agreement of Sale (i.e., where the results of the inspection may trigger certain duties to repair or renegotiate), the inspection must be conducted by a licensed or registered engineer, a licensed or registered architect, “a full member in good standing of a national home inspection association,” or an inspector who has not yet reached full membership status but is supervised by a full member who signs the inspection report.

Q: What is a material defect?

A: A material defect is “a problem with a residential real property or any portion of it that would have a significant adverse impact on the value of the property or that involves an unreasonable risk to people on the property. The fact that a structural element, system or subsystem is near, at or beyond the end of a normal useful life of such a structural element, system or subsystem is not by itself a material defect.” (For example, a 21-year-old roof with a 20-year warranty is not considered a “material defect” just because of its age.)

QUESTION: How can one verify that a home inspector is an engineer, architect or a full member of a national home inspection association?

ANSWER: Get it in writing. The law states that “A buyer shall be entitled to rely in good faith, without independent investigation, on a written representation by a home inspector” regarding the inspector’s qualifications. PAR has worked with home inspectors to develop a Pennsylvania Home Inspector Compliance Statement that inspectors can use to verify their qualifications. Buyers are encouraged to ask inspectors to fill out the form or provide some other “written representation” that they comply with the law.

Q: When does this law apply?

A: In general, the Home Inspection Law applies to any “residential real estate transfer,” which is defined as a transfer of one to four residential dwelling units. Note that new construction is not excluded from the scope of the Home Inspection Law, nor is a mixed-use commercial transaction involving one to four residential dwelling units. There are eight exceptions to this general rule; ask your REALTOR® for more specific information.

Q: What is covered in a home inspector’s contract?

A: A contract with a home inspector will include the scope of a home inspection, the services to be performed, and the systems and conditions to be inspected or excluded from inspection. A contract with a home inspector may not contain a limitation on the liability of the home inspector for gross negligence or willful misconduct, or a waiver or modification of any provision of the law.

Q: What specific information must a home inspection report include?

A: A home inspection report must be in writing and include: (1) a description of the scope of the inspection with an identification of the structural elements, systems and subsystems covered in the report; and (2) a description of the material defects noted during the inspection with the recommendation that certain experts be retained to determine the extent of the defects and any corrective action that should be taken.

Q: May a home inspector give an estimate to repair any defects revealed in the home inspection report?

A: A certified home inspector may not express an estimate of the cost to repair any defect found during a home inspection. However, an estimate may be included in the home inspection report if: (1) the report identifies the source of the estimate; (2) the estimate is stated as a range of costs; and (3) the report states that the parties should consider obtaining an estimate from a contractor who performs the type of repair involved.

Q: Who has access to the home inspection report?

A: Unless otherwise required by law, a home inspector may not deliver a report to anyone other than the inspector's client without the client's consent. A seller has the right, upon request, to receive without charge a copy of the home inspection report from the person for whom it was prepared.

Q: Are home inspectors prohibited from engaging in any inspection-related activities?

A: Home inspectors and their employers may not: (1) Offer to perform for a fee, any repairs on the property for which the inspector has prepared a home inspection report in the last year. (2) Inspect, for a fee, any property in which the inspector has any interest unless the interest is disclosed in writing and acknowledged by the buyer before the home inspection is performed. (3) Offer any compensation to a seller or to any agent for a referral to the inspector. (4) Perform a home inspection where the fee is contingent upon the content of the report, or the closing of the transaction.

Q: How will the Home Inspection Law be enforced?

A: Although the Law contains certain civil and criminal enforcement penalties, the Law is primarily self-enforcing. That is, there is no governmental body regulating the behavior of home inspectors, and it will be up to consumers and their REALTORS® to make sure the provisions of the Law are being complied with.