



## THE PERILS OF WALK & TALKS

### ATTENTION: NY State Licensed Home Inspectors

The NYSAHI Board of Directors has been investigating a matter of substantial concern and this BULLETIN is sent to inform you of information that we have collected and our understanding of the growing practice of Walk & Talk “home inspections” in New York State.

Walk & Talks, also known as “Walk-Though Consultations”, are characterized by short duration (perhaps only 30 minutes), usually no contract, no written report and substantially reduced fee as compared to a NYS Standard Home Inspection. These are performed by a consultant, sometimes a Licensed Home Inspector, who walks through a home with a Buyer client and discusses various conditions observed.

Walk & Talks have become more frequent due to market pressure with limited housing supply during COVID. Some involved in selling a home have favored the practice to reach closing quicker in a strong seller’s market. Buyers are attracted to the reduced cost of the “inspection” and because a Walk & Talk can be done at a showing before making an offer. Also, relying on a Walk & Talk, Buyers often waive a Home Inspection contingency making their purchase offer more attractive in a competitive environment. Sellers may specifically encourage this in their offers for sale. We were advised that in some places in New York State the practice has become common and is encouraged by real estate industry professionals.

In response to our inquiry, the NYSAHI Board was advised by the Department of State, that regulates our profession, that since there is no written report produced, Walk & Talks are not Home Inspections under the professional licensing law and are not regulated. They also advised that Licensed Home Inspectors are accordingly not prohibited in that law from engaging in Walk & Talks.

However, further exploring the practice, we have come to believe that Walk & Talks are contrary to the public interest that our State’s *Home Inspection Professional Licensing Law* was enacted to protect, and that **all parties, especially Licensed Home Inspectors, that engage in the practice do so at great risk.** Following are considerations that have led us to this conclusion:

#### Buyers

- Anyone can perform a Walk & Talk. There are no professional standards. Very unqualified persons may engage in the practice.
- Buyers have limited legal recourse against any unlicensed consultant.
- Even if performed by a Licensed Home Inspector, a Walk & Talk is by far substandard to a State regulated Home Inspection. It is not possible to properly evaluate all of the systems of a home in a short walk through. Undisclosed issues and unanticipated expenses are sure to arise after sale.
- Without a written Home Inspection report a buyer has no professionally documented tool to use as a reliable basis for negotiation.
- There is no Code of Ethics to protect a Buyer from collusion between their Walk & Talk consultant and others involved in the sale or from conflicts of interest.

## **Sellers**

- Accepting a purchase offer waiving a Home Inspection, especially if in any way encouraged by the Seller, can expose the Seller to a claim for damages resulting from undocumented defects and/or those not detected in a Walk & Talk. Did the Seller prevent the Buyer from exercising due diligence? Did the Seller imply that waiving the inspection contingency was a requirement of sale? A real Home Inspection protects both Buyer and Seller.

## **Realtors, Lawyers, Mortgage Brokers...**

- Real Estate professionals and allied professionals can be named in legal actions if they in any way recommend a Walk & Talk in lieu of a Home Inspection or for a Buyer to waive a Home Inspection. Realtors, especially, have a duty to both Buyer and Seller to recommend a Home Inspection prior to sale.

## **The Public**

- Walk & Talks fast-track the home buying process, shorting due diligence at a time when it is most needed for a perhaps life changing major investment.

## **Licensed Home Inspectors !!!**

- Any service you perform without a written report is very likely **not covered by your insurance**. Without a report that service is not a Home Inspection and Home Inspection is your insured business. Your company and perhaps all your personal assets are on the line.
- As a licensed professional **you are held to a higher standard under the law**. Regardless of anything you say or agree to, a Buyer has a rightful expectation to trust you to protect them from buying a house with undisclosed defects. Will you find them all in a half-hour?
- Without a written Home Inspection report, **any legal action against you may be based on hearsay**. This can place you at a considerable disadvantage and in an indefensible position in court.
- Providing a Walk & Talk could be considered **encouraging the Buyer to purchase a home without a Home Inspection exposing you to substantial liability**.
- A Walk & Talk **performed without a contract further increases liability**.
- **Lawsuits against Home Inspectors involved in Walk & Talks are increasing**.

We have come to believe that the practice of Walk & Talk is contrary to the public interest and the spirit of the law that established our profession which recognizes that *“A home inspection has a direct and vital impact on the quality of life for all home buyers”*. We also believe that Licensed Home Inspectors engaging in such practice undermine the credibility of our profession by offering an unreliable and far inferior service compared to a Home Inspection conducted within the *Standards of Practice*. We remind you all that *“In performing home inspection services, home inspectors shall adhere to the highest principles of ethical conduct.”* We do not believe it is ethical for a Home Inspector to engage in this questionable practice because Buyers may reasonably, but in ignorance, rely on a Walk & Talk conducted by a Licensed Home Inspector to be equivalent to a true Home Inspection.

Sincerely,  
NYSAHI Board of Directors