

Property Disclosures

Buying a home can present hidden risks. While sellers must provide prospective buyers with complete and accurate descriptions of properties for sale, each state varies regarding the details sellers must legally disclose to buyers. No matter where you live, smart buyers also exercise personal responsibility, to whatever extent possible and reasonable, to help avoid unpleasant surprises.

The following list outlines numerous issues buyers should consider when purchasing property. Some are addressed by sellers' disclosure documents, others are not. Your buyer's rep can counsel you on the specifics in your state and discuss appropriate steps to discover and remedy potential property concerns.

HOME CONDITION—STRUCTURAL

- ◆ Roof
- ◆ Foundation
- ◆ Interior/exterior walls
- ◆ Fireplace/chimney
- ◆ Floors
- ◆ Windows/doors
- ◆ Ceilings
- ◆ Garage
- ◆ Patio/deck

HOME CONDITION—MECHANICAL

- ◆ Plumbing system
- ◆ Electrical system
- ◆ Heating and/or air conditioning
- ◆ Sewer and/or septic system
- ◆ Built-in appliances
- ◆ Other systems and fixtures

ENVIRONMENTAL HAZARDS

- ◆ Asbestos
- ◆ Lead-based paint*
- ◆ Meth lab
- ◆ Mold
- ◆ Radon

OTHER CONDITIONS

- ◆ Termite or other pest infestation
- ◆ Flooding (including federally-designated flood plain*)
- ◆ Utility or other easements
- ◆ Adjoining private roads (and obligation to maintain)
- ◆ Shared driveways, walls, or encroachments from or on adjacent property
- ◆ Stigmas (including registered sex offenders)

OFF-SITE CONDITIONS

Odor, smoke, noise, and hazards affecting property due to proximity to:

- ◆ Highways
- ◆ Railroads
- ◆ Commercial/industrial facilities
- ◆ Military installations
- ◆ Superfund sites
- ◆ Toxic waste dumps

LEGAL /FINANCIAL CONSIDERATIONS

- ◆ Possible or probable short sale or foreclosure
- ◆ Violation of building codes, zoning ordinances or other restrictive covenants
- ◆ Zoning (restricting buyer's intended use for the property)
- ◆ Homeowners association obligations
- ◆ Tenancies, judgments or tax liens
- ◆ Proposed assessments or zoning changes
- ◆ Mechanics' or materialmens' liens

OTHER OFF-SITE CONSIDERATIONS

- ◆ Neighborhood noise (e.g., barking dogs)
- ◆ Traffic
- ◆ Safety
- ◆ Availability of, or consequences from, public parking
- ◆ Zoning (impacting how nearby property will be used in the future)

PREVENTIVE MEASURES

Buyers can take steps to reveal problems and reduce risk. Ask your buyer's rep about the following options and other appropriate measures. Inspections and other preventive steps are especially important for distressed properties.

Home Inspections: A thorough home inspection should reveal structural or mechanical issues. Certain problems may require a separate evaluation by a trained specialist.

Home Warranties: Home protection plans can cover the cost of future repairs to malfunctioning home appliances or systems. Policy coverage and costs vary.

C.L.U.E. Reports: Comprehensive Loss Underwriting Exchange Reports provide details on insurance claims filed in the past five years, such as wind, water or mold damage—considerations that could impact the cost of insuring the home.

*These items are subject to federal laws and must be disclosed in all states.