

## CHECKLIST: SEPTIC SYSTEMS DUE DILIGENCE REPRESENTING BUYERS

The following checklist identifies the due diligence activities real estate professionals should undertake when representing buyers interested in purchasing properties with septic systems. It is not an exhaustive list of all septic system-related matters that may relate to a potential real estate transaction, but is provided to assist real estate professionals in their rural residential practice.

WHEN REPRESENTING BUYERS	Done
<b>Determine buyer's experience with private septic systems in rural residential properties</b> <ul style="list-style-type: none"> <li>• Provide buyer with information regarding septic systems</li> </ul>	<input type="checkbox"/> <input type="checkbox"/>
<b>Determine the age of the septic system</b> <ul style="list-style-type: none"> <li>• If septic system is older, buyer should consider remaining life of system and cost of replacement</li> <li>• If septic system is older, check with county/municipality regarding when current codes were put in place and requirements for septic systems that pre-date current codes which may not conform</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>If a holding tank is present</b> <ul style="list-style-type: none"> <li>• Check with county/municipal office for any rules regarding holding tanks. Some municipalities restrict the use of holding tanks</li> </ul>	<input type="checkbox"/> <input type="checkbox"/>
<b>Identify buyer's needs for capacity</b> <ul style="list-style-type: none"> <li>• Ensure buyer understands that septic system which supports only a few people might not support more</li> <li>• Have certified contractor assess system's capacity to ensure it will accommodate buyer's projected needs</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Request any available history and information about the system from seller's real estate professional or seller</b> <ul style="list-style-type: none"> <li>• Information may include the following: <ul style="list-style-type: none"> <li>- Permits</li> <li>- Soil tests</li> <li>- Owner's manual</li> <li>- Design drawings</li> <li>- Installation records</li> <li>- Condition of disposal area</li> <li>- Repair records (invoices/receipts)</li> <li>- Sludge or scum levels in the tank</li> <li>- Map of septic tank and disposal site</li> <li>- Capacity of system</li> </ul> </li> </ul>	<input type="checkbox"/> <input type="checkbox"/>

WHEN REPRESENTING BUYERS	Done
<b>Request maintenance records from seller's real estate professional or seller</b> <ul style="list-style-type: none"> <li>• Obtain septic maintenance and service records, septic systems should be inspected annually by a certified contractor</li> <li>• Obtain septic systems pump out records, which should be done every 1-2 years</li> <li>• Discuss with buyer implications of having/not having septic system inspected/pumped out regularly</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Include favourable conditions for buyer in their offer to purchase</b> <ul style="list-style-type: none"> <li>• Discuss with buyer including the following conditions in offer to purchase: <ul style="list-style-type: none"> <li>- Septic system inspection condition</li> <li>- Septic system pump-out condition (if it has not been pumped out recently)</li> </ul> </li> <li>• Discuss with buyer implications of not including conditions in offer to purchase</li> <li>• Assist buyer to draft conditions in offer to purchase</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Advise buyer of option to obtain legal counsel and/or expert advice</b>	<input type="checkbox"/>
<b>Document activities for brokerage file</b> <ul style="list-style-type: none"> <li>• Document in writing the following: <ul style="list-style-type: none"> <li>- Information received from/conveyed to buyer</li> <li>- Options/implications discussed with buyer</li> <li>- Buyer's decisions, instructions, actions</li> </ul> </li> </ul>	<input type="checkbox"/> <input type="checkbox"/>
<b>Provide brokerage all trade and septic system-related documents for its records</b>	<input type="checkbox"/>