

FLOOD HAZARD AREAS DUE DILIGENCE CHECKLIST WHEN REPRESENTING BUYERS

This checklist includes due diligence activities related to flood hazard areas that real estate professionals should undertake when representing buyers. It is not an exhaustive list. Due diligence activities that need to be performed in relation to a potential or actual real estate transaction may vary. Real estate professionals should ensure they document in writing all due diligence activities they perform, including situational details, such as the date, time, manner and where the activity was performed.

| FLOOD HAZARD AREAS DUE DILIGENCE CHECKLIST WHEN REPRESENTING BUYERS | Done |
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| <p>Search property buyer interested in purchasing in Flood Hazard Map Application</p> <ul style="list-style-type: none"> • Print and show buyer flood hazard map for property of interest • Print copy of flood hazard map for property of interest for brokerage records <p>If property is located in or near flood hazard area:</p> <ul style="list-style-type: none"> • Advise buyer of advantages/disadvantages of owning that property | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <p>Inquire about previous flooding incidents</p> <p>If property previously flooded:</p> <ul style="list-style-type: none"> • Obtain further information and supporting documentation regarding: <ul style="list-style-type: none"> – When flooding occurred – Cause of flooding – Extent of damages/losses – Remedial measures taken – Remedial measures not yet taken • Convey all information and supporting documentation to buyer • Assist buyer understand information and supporting documentation <p>If seller and his/her real estate professional decline to provide information and supporting documentation:</p> <ul style="list-style-type: none"> • Advise buyer doctrine of caveat emptor applies | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <p>Search property title for DRP notice</p> <p>If DRP notice is registered on title:</p> <ul style="list-style-type: none"> • Notify buyer property not eligible for flood-related funding through future DRP if another 100-year flood occurs | <input type="checkbox"/> <input type="checkbox"/> |
| <p>Include favourable conditions for buyer in purchase contract</p> <ul style="list-style-type: none"> • Discuss with buyer inclusion of following conditions in purchase contract: <ul style="list-style-type: none"> – Property insurance condition – Financing condition – Property inspection/specialized building system inspection condition | <input type="checkbox"/> <input type="checkbox"/> |
| <p>Advise buyers wanting to purchase non-remedied flood-damaged property</p> <p>If property was damaged by 2013 Alberta floods and not remedied:</p> <ul style="list-style-type: none"> • Advise buyer to seek legal advice • Advise buyer to confirm lender will finance purchase • Advise buyer to ensure dates in purchase contract provide sufficient time given remedial measures to be taken, if any • Advise buyer he/she not eligible for DRP funding to remedy property | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |