

PROPERTY DEFECTS DUE DILIGENCE CHECKLIST WHEN REPRESENTING SELLERS

This checklist includes due diligence activities related to property defects that real estate professionals should undertake when representing sellers. 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.

PROPERTY DEFECTS DUE DILIGENCE CHECKLIST WHEN REPRESENTING SELLERS	Done
<p>Determine if seller wants to disclose patent defects</p> <ul style="list-style-type: none"> • Advise seller there is no legal obligation to disclose this information • Advise seller of advantages/disadvantages of disclosing this information 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p>Inquire if any material latent defects exist</p> <ul style="list-style-type: none"> • Explain material latent defects to seller • Advise seller there is legal obligation to disclose this information • Advise seller failure to disclose may result in buyer commencing legal action once he/she discovers defects • Have seller acknowledge in writing if he/she is aware of any material latent defects <p>If any material latent defects exist:</p> <ul style="list-style-type: none"> • Obtain further information and supporting documentation regarding: <ul style="list-style-type: none"> – Nature of defects – How defects were discovered – When defects were discovered – Remedial measures taken – Remedial measures not yet taken • Make disclosure to buyers or their real estate professionals before accepted purchase contract exists • Ensure information conveyed to buyers or their real estate professionals is accurate and complete 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p>Inquire if any material latent defects have been remedied</p> <ul style="list-style-type: none"> • Advise seller there is no legal obligation to disclose this information • Advise seller of advantages/disadvantages of disclosing this information <p>If unsure whether or not a material latent defect has been remedied:</p> <ul style="list-style-type: none"> • Request proof of remedial measures taken by seller • Compare remedial measures taken by seller to established objective standard <p>If no objective remediation standard has been established or if still unsure whether or not material latent defect has been remedied:</p> <ul style="list-style-type: none"> • Seek advice from broker • Advise seller to seek legal advice 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>