

If Truth Be Told ...

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Someone once said that when you stretch the truth, you need to watch for the snapback. Such is the case in real estate transactions where half-truths and slight inaccuracies can be harmful to your pocketbook.

If you're a prospective home buyer, you may think that the more real estate agents you have working for and with you trying to find you that perfect home the better off you will be, but you would be wrong.

When an agent asks you if you "are working with someone" that agent needs to know if you have signed an agreement to work exclusively with another company. If you have, tell the truth.

If you are thinking you don't really like company/agent A with whom you initially signed an agreement and, therefore, in your mind you are no longer "working with someone", that seemingly clever inaccuracy could lead to agent A's company looking to you for compensation if you bought a property within the time frame your buyer agreement with agent A's company was in effect.

Furthermore, the compensation you get to pay to agent A's company will be in addition to the purchase price you paid for the property you bought through agent B's company, from which amount the listing broker and your buyer's broker were compensated, so, essentially, you paid an additional commission. That would be the snapback.

If you are a seller, your job is to provide the statutorily required Residential Property Condition Disclosure Report to buyers. This report is to be completed according to the seller's best information and belief. There is no requirement for a seller to have his home inspected before listing it so as to know all the problems and deficiencies a buyer's inspector might discover, but a seller can.

The benefit to a seller who inspects his property before listing is that he can know the problem areas and repair what is broken, but once a problem is known, a seller is obligated to complete the property condition disclosure report honestly. In other words, tell the truth.

Many sellers probably think that fudging the property condition report by being just a little inaccurate in their responses will save them from lengthy explanations or from scrounging up repair receipts. Maybe that's true, but case law is replete with rulings in favor of innocent buyers from sellers claiming no inkling of basements that flood, required building permits and certificates of occupancy, major basement floor and wall cracks, and wells with poor water quality or no water at all.

A non-truthful disclosure report is misrepresentation at the least and at the other end of the scale, fraud in the inducement. Whatever it's called, it can cost the seller a pile of money to satisfy a buyer who has been duped. Can you feel that snapback?

The stakes are high in real estate transactions so there is no room for moral mischief. Therefore, if truth be told, a prospective buyer's or seller's best policy is the simple and common statement "it is what it is".

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