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# DISCLOSURE: Offsite Conditions





#### Understanding REALTORS<sup>®</sup> Disclosure Obligations in Massachusetts

Under CHAPTER 93A, REALTORS<sup>®</sup> must disclose all known material facts about a property that could influence a buyer's decision to purchase

While this is generally thought to only include conditions inside the bounds of the property itself, under certain circumstances, a REALTOR<sup>®</sup> may be required to disclose information about a fact or condition outside the property boundaries







#### What To Know

The Supreme Judicial Court's decision in **Urman vs. South Boston Savings Bank** helps clarify this disclosure obligation

It addresses those situations where agents may need to disclose certain offsite conditions









## The court laid out a 3-pronged test

- 1) The condition must be unknown and not easily observed by the buyer, and...
- 2) The condition must significantly affect the property's habitability, use, or enjoyment, and as a result...
- The condition must make the property less desirable or valuable to an objectively reasonable buyer



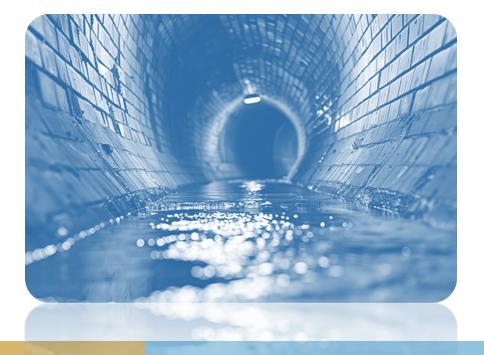






#### Rooted in the Land

The court further elaborated that generally, the duty to disclose offsite conditions is limited to those conditions that are "rooted in the land," rather than transient social conditions









## In Summary

It is critical that REALTORS<sup>®</sup> discuss with their clients what their legal obligations are for disclosure and the potential ramifications for failing to disclose those items

We strongly recommend that all disclosures be made in writing in order to document that the disclosure was made, when it was made, and to whom it was made

#### **BOTTOM LINE**

We recommend all disclosures be made in writing







## Resources

Additional resources featured in this presentation:

Chapter 93A

Pete Urman vs. South Boston Savings Bank

Section 114







# MAR LEGALHOTLINE

#### 1-800-370-LEGAL (5342)

- Call 800-370-LEGAL (5342) from 9 am 4 pm Monday through Friday
- Or email <a href="mailto:Legalhotline@marealtor.com">Legalhotline@marealtor.com</a> any time





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