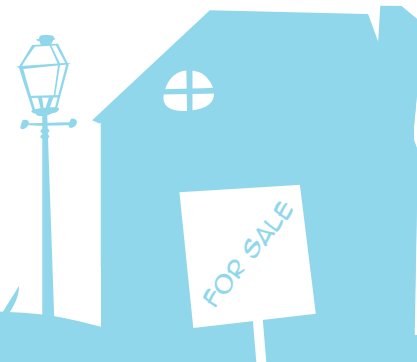




BROKERS' ACTIONS



SALE WITHOUT LEGAL WARRANTY OF QUALITY

HOW TO AVOID IT

The sale of an immovable usually comes with a **legal warranty of quality**, which is a guarantee against latent defects. However, it is possible to exclude it¹ from the contract. This is frequently the case in an estate sale or a repossession. Since the seller has not inhabited the property, it is difficult for him to provide an overall picture of its actual condition, and even more difficult to guarantee it.

To exclude liability for latent defects from a transaction, the statement "*This sale is made without legal warranty of quality, at the buyer's risk*" must be included in the **real estate brokerage contract**, the **promise to purchase** and the **detailed description sheet**. In this case, the advantage of a waiver of this warranty is a reduced selling price.

TIP FROM THE PRO

Make sure you fully understand the implications of a sale without legal warranty of quality and that you explain them properly to the parties (seller and buyer). Along with explaining the **consequences** of waiving this warranty, it is also prudent to recommend to the buyer that he conduct a more thorough pre-purchase inspection of the property.

Remember that the seller must act in good faith and declare all known defects that may affect the value of the immovable, notably by filling out the "*Declarations by the seller of the immovable*" form.

CONSEQUENCES

In addition to exposing the client to an unpleasant situation, consider the consequences of this type of error for the broker. If you are held responsible and compensation is paid to the claimant, you will be liable for the **deductible** on your insurance. You should also know that a court action will have an impact on your personal credit record during the entire length of the dispute, not to mention the **loss of time** that this will cause you. You're always better safe than sorry.



A LITTLE LATER...



1. Article 1732 Civil Code of Québec (C.c.Q.).



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