



Water Damaged Homes: What is the Seller's Responsibility?

By Bruce Pomeroy

While it is certainly incumbent upon a potential buyer to exercise due diligence with regard to the condition of a home and the possible presence of damage resulting from water ingress, the seller is not off the hook. Hiding behind the notion of "Buyer Beware!" is not a practical alternative.

Purchasers of homes within the Greater Vancouver Regional District have brought successful lawsuits against the sellers when water damage has been discovered after the sale is complete. Issues in question include whether visible signs of damage were present, the extent of the seller's knowledge of the damage, and the fullness of disclosure at the time of sale.

Currently, no laws are in place requiring building envelope inspections. In their absence, disputes are ultimately settled in the courts: a

costly, stressful, and time-consuming process. Sellers can make use of an envelope inspection both to enhance their position in the sales process and also to strengthen their position in the event of a subsequent dispute.

A seller could hire a building envelope specialist to complete an inspection. Confirmation of the health of the building adds to its value. If damage is found, the specialist can provide a budget for the repair work allowing the seller to either complete the repairs prior to listing or disclose the needed work along with projected costs for remediation, a useful negotiating tool in either case. Participation on both sides of these transactions has proven the value of having both parties in possession of the facts.

In the unfortunate event of a dispute arising later, a seller who has had a professional

building envelope inspection completed has certainly demonstrated a commitment to full and fair disclosure that will bolster their position.

In short, a seller who makes the modest investment required for a building envelope inspection can realize a return in the practical elements of real estate transactions along with the peace of mind that comes from a proactive approach to property ownership.

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