



# YOU AND THE LAW

## “BUYER BEWARE” IS ALIVE AND WELL

You’ve searched and searched, and finally you’ve found your dream home. The price seems reasonable. And though not new, the house has been gutted and rebuilt so you don’t have to do a thing to it. It even comes with a mortgage helper – a legal basement suite you can rent out for some extra cash.

The realtor, who by agreement acts for you and the seller too, tells you he knows the seller, who is “a good guy” and “does a good job.” Still, you get a home inspection before going through with the purchase. What could go wrong?

Plenty.

Tammi and Ron (names changed to protect their identity) found themselves in this situation. Unfortunately, they made a couple of key mistakes along the way that, in the end, cost them over \$64,000 in expenses and lost rental income.

The seller hadn’t filled in the property disclosure statement to go with the purchase contract. Instead, he’d struck a line through all its questions before signing it. The realtor had added a notation “vendor did not live in house” in explanation. He also downplayed this lack of seller disclosure – which should be a “red flag” to any buyer. But he had recommended Tammi and Ron get a property inspection report, and made that a condition in the purchase contract.

Tammi and Ron got the inspection, plus a roof inspection. But they didn’t follow the inspector’s recommendation to get a separate inspection of the dirt floor crawlspace, not viewed by the inspector.

Soon after moving in, they faced major problems. Water seeped into the basement from the crawlspace, due to problems with the foundation and an inadequate perimeter drainage system. This made the rental suite unfit to live in, so Tammi and Ron couldn’t rent it out. They also had to spend a lot of money trying to fix the water problems and other deficiencies.

They sued the seller, but dropped their lawsuit against him after he died. They also sued the realtor and his firm, but the B.C. court decided they didn’t have to compensate Tammi and Ron here.

Some of the issues that led to the water-flooding problems could have been discovered if Tammi and Ron had obtained the follow-on inspection. Also, the realtor didn’t know that the fire damage, which led to the house being rebuilt, had been caused by an illegal marijuana grow-op operation (as suggested by Tammi and Ron’s later investigation). And Tammi and Ron didn’t prove that it was the duty of an agent to make inquiries into that, if he had no reason to suspect it.

There were also some “latent” defects the seller didn’t tell Tammi and Ron about, meaning even a proper inspection wouldn’t have found them. But the realtor didn’t know about these, nor could he be expected to – he wasn’t a qualified building inspector. Once he recommended a proper inspection, Tammi and Ron should have done the recommended inspections.

If you find yourself in a sticky situation with your house purchase, you should seek legal help promptly.

*This column has been written by Janice and George Mucalov, LL.B.s with assistance from FABRIS McIVER HORNQUIST & RADCLIFFE. It provides information only and must not be relied on for legal advice. Please contact FABRIS McIVER HORNQUIST & RADCLIFFE for legal advice concerning your particular case. Lawyer Janice Mucalov is an award-winning legal writer. YOU AND THE LAW is a registered trade-mark. © Janice and George Mucalov.*



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