SELLER ADVISORY

ADVICE AND RECOMMENDATION TO SELLERS

INTRODUCTION:

Selling a property in the Philippines involves several essential steps that may span from a few weeks to several months. The duration depends on various factors, including the property's condition, prevailing market conditions, and legal or financial considerations. By listing your property with a licensed real estate broker, you have already taken the first crucial step toward a successful transaction.

Your broker is your guide throughout this process and may refer you to other professionals (e.g., legal counsel, appraisers, inspectors) when necessary. This advisory outlines several vital matters you must understand and comply with. Some of these are required by law or stipulated in the listing or sale agreement, while others are practical tips that can help facilitate a smooth transaction.

Please read this advisory carefully. If anything is unclear, consult your broker for assistance.

DISCLOSURES:

A. General Disclosure Duties:

As a seller, you are legally required to disclose to the buyer, **in writing**, all known facts that materially affect the value or desirability of your property. This obligation remains **even if the buyer does not explicitly request information** about these matters.

This disclosure duty remains in effect **even if the buyer agrees to purchase the property in its present condition**, without requesting any repairs.

Additionally, your broker is required to conduct a reasonably competent and diligent visual inspection of accessible areas of the property. The broker must also disclose to the buyer **any adverse material facts** that are discovered during this inspection. If your broker identifies potential issues, they are obligated to inform the buyer accordingly.

B. Statutory Disclosure Duties:

As the seller, you must complete and deliver to the buyer the following required disclosure documents promptly:

- **Real Estate Transfer Disclosure Statement (TDS)**
- **Natural Hazard Disclosure Statement (NHD)**

You are legally obligated to complete these forms **honestly and accurately**. The NHD will determine if your property is located within a designated flood zone, fire hazard area, earthquake/seismic zone, or similar high-risk areas. You may hire third-party professionals to help you complete these disclosures.

Depending on the age and construction of the property, you may also need to provide booklets or written information on:

- Earthquake preparedness
- Environmental hazards
- Other relevant public safety notices

Suppose your property is located **within one mile of a former military ordnance site**, or is affected by industrial, airport, or manufacturing zoning. In that case, this must also be disclosed to the buyer.

C. Death and Other Disclosures:

Many buyers consider death occurring on the property to be a **material fact**. For transparency, it is advisable to disclose whether a death has occurred on the property and, if so, the nature or cause of death.

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D. Condominiums:

If you are selling a condominium unit, you must provide the buyer with the following:

- The homeowners' association's governing documents
- The most recent financial statements
- Any other legally required documentation

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3. CONTRACT TERMS AND LEGAL REQUIREMENTS

A. Contract Terms and Conditions:

As part of the sale contract, the buyer may request that you cover certain repairs, maintenance, or additional items related to the property. You have the right to either accept or decline these requests. These negotiations should be conducted in good faith and accurately reflected in the written agreement.

NOTE: It is highly recommended that you make use of all available government-issued reports and advisories related to your property. Doing so promotes transparency, compliance, and trust throughout the transaction.

If you have any questions about your duties, obligations, or how to prepare these disclosures, do not hesitate to consult your broker or legal counsel.

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