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**Legal Roundup Column**

## Tips for buying or selling a home in California

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When it comes to California real estate, there are plenty of laws and rules related to the buying or selling of a house.

However, anyone who has ever purchased real estate knows that reading, understanding and quickly signing a bunch of pre-printed forms is often an unsettling process.

Before you sign, here are a few basics to consider when buying (or selling) real property.

### **Used homes – buyers, beware**

Unless you purchase a home warranty insurance plan, you should be much more careful when purchasing a home from someone other than the original builder. Hire a licensed contractor or home inspector to do a thorough inspection to discover and resolve problems during the contract negotiation stage.

California law does provide home buyers with some protections by requiring sellers to enter into detailed written contracts for sale of real property and by requiring the seller to disclose to the buyer facts that materially affect the value or desirability of the property.

This disclosure should include things such as failing appliances, leaking roofs, plumbing or electrical problems, noisy and disruptive neighbors, using the property in a way that violates the applicable zoning ordinance, unpermitted additions or modifications, or even the state's interest in buying and redeveloping the property.

If the seller fails to disclose material facts, the buyer has the right to sue for damages or even seek to cancel the contract altogether.

My recommendation is to always request an additional "substitute disclosures" along with the minimum disclosures required in the standard Real Estate Transfer Disclosure Statement.

Read these disclosures very carefully and ask for clarification in writing from the seller and seller's agent, if needed. Despite these protections, I always urge clients to personally test all lights, electrical outlets, plumbing fixtures, hot water systems, doors and pool equipment to get a good feeling for the house's condition.

If you find something you believe should have been disclosed after you purchase the property, you may wish to consult an attorney to evaluate your options.

### **The 'as is' clause – buyer, really beware**

An “as is” clause in a purchase agreement relieves the seller of liability for defects in the property unless the seller, through fraud or misrepresentation, conceals or fails to disclose material defects not otherwise known or observable to the buyer.

Buyers should always view an “as is” clause as a red flag that the property is likely to be in poor condition. These clauses are common in short sales or fixer properties with some obvious problems so buyers should know that they are likely getting what they pay for.

If you don't have experience in inspecting such homes, hire a licensed contractor or home inspector to be sure of what you're getting into.

### **New homes and warranties**

California requires builders of new homes to offer a standard “one year expressed limited warranty” also known as the “Fit and Finish warranty” and most new builders will offer more than the minimum required so always review it carefully to see what it covers. Report problems in writing early and often until you get resolution.

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