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## WHY HAS THE NOVA SCOTIA ASSOCIATION OF REALTORS® INTRODUCED THE PROPERTY CONDITION DISCLOSURE STATEMENT?

All REALTORS® in Nova Scotia support the idea that every buyer and seller should be entitled to fair dealings in their real estate transactions. It is for this reason that the Nova Scotia Association of REALTORS® has developed the *Property Condition Disclosure Statement* and is recommending the use of this document in all transactions.

The *Property Condition Disclosure Statement* is designed to protect all persons involved in real estate transactions.

The objective is to encourage full communication so that buyers pay, and sellers receive, a fair price for the property, with the buyers having as much information as possible concerning the property. Lawsuits are expensive and frequently result from a misunderstanding, communication problem, or lack of information.

Sellers may have difficulty establishing that a problem was disclosed to buyers, and buyers may be unable to establish that a statement was made or that information was withheld unless important information is confirmed in writing on the *Property Condition Disclosure Statement*.

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The Code of Ethics and Standards of Business Practice adopted by the Nova Scotia Association of REALTORS® provides that REALTOR® members shall ascertain and disclose all pertinent facts concerning every property for which they accept an agency relationship in order to fulfill their obligation to avoid error, exaggeration, misrepresentation or concealment of pertinent facts.

*Copies of the Property Condition Disclosure Statement are available from your local REALTOR®.*

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## AN INTRODUCTION TO THE PROPERTY CONDITION DISCLOSURE STATEMENT



*This introduction is provided as a service by the Nova Scotia Association of REALTORS®. All or part of the information in this brochure may be shared with sellers or buyers as required.*



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## **HOW DOES THE DISCLOSURE STATEMENT HELP THE SELLERS?**

The disclosure statement assists the sellers to review the condition of their property. It provides a written record of the representation made, and, just as important, not made. A complete disclosure statement will reduce the risk of a misunderstanding with the buyers. A frequent complaint from buyers is that a particular problem was not disclosed to them prior to purchase. Sellers should carefully consider each question so that all relevant information concerning that point has been included on the disclosure statement.

It is up to the sellers whether they provide a disclosure statement to the buyers; however, most sellers are also buyers and they will recognize the appropriateness of providing a disclosure statement. Many sellers will recognize that a disclosure statement will increase the attractiveness of their property and will reduce the risk of possible claims by buyers as complete written disclosure was made.

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## **HOW DOES THE DISCLOSURE STATEMENT HELP THE BUYERS?**

The sellers, who know the property best, provide the buyers with some basic information concerning the property which may not be readily apparent to the buyers upon a casual inspection. This information covers some common historical problem areas and gives the buyers a list of points to consider in their inspection of the property. The information provided is valuable to the buyer to answer concerns they may have or to identify issues the buyer may want to investigate more fully.

## **HOW DOES THE DISCLOSURE STATEMENT HELP THE REALTOR®?**

The REALTOR® communicates information between sellers and buyers. If there is a problem, the buyers may claim misrepresentation or that information was improperly withheld. The sellers may claim they relied on the REALTOR® to provide necessary information to the buyers. The REALTOR® is caught in the middle. Many claims can be avoided if care is taken to provide a properly completed disclosure statement to the buyers. The questions on the disclosure statement will assist the REALTOR® to review all relevant aspects of the property at the time the property is listed for sale and will ensure that all parties involved in the transaction have the same information.

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## **HOW SHOULD THE DISCLOSURE STATEMENT BE USED?**

At the time a property is listed for sale, the sellers will complete the disclosure statement. Prospective buyers will want to review the disclosure statement, or will make an offer subject to their receiving and approving a disclosure statement within a specified time. Most buyers and sellers will want to make the disclosure statement part of their contract. Sellers will respond directly to the questions and add clearly worded comments as required to describe their property. Buyers will carefully read the disclosure statement and request additional information or arrange independent inspections as necessary.