

Seller Property Information Statement

Important Information for Sellers

Form 225 for use in the Province of Ontario

TO SELLER(S):

BROKERAGE:

Form 220 - The Seller Property Information Statement "SPIS" is intended to provide information to a prospective buyer, based on the fact that the owner of the property will likely have information that a typical buyer would consider to be important.

As stated on the form, the seller is providing information as known to the seller but is not warranting the information provided. For this reason, OREA recommends that the SPIS not be attached as a Schedule to the Agreement of Purchase and Sale. There is a clause included in the standard OREA Agreement of Purchase and Sale that states "there is no representation, warranty, collateral agreement or condition which affects this Agreement other than expressed in the Agreement in writing."

The Seller Property Information Statement, when properly completed, can be of benefit to both the sellers and the buyers. However, care must be taken when the form is completed. Sellers should answer the questions on the form as fully and accurately as possible. There is space on the form to add "Additional Comments" and this feature should be used to explain items on the form that could be claimed to be incomplete or misleading by a buyer. If there is some question as to whether a particular item should be mentioned on the form, it is better to err on the side of caution and provide the information along with an explanation, e.g. a defect that has been repaired. Also, if the information on the form becomes outdated or incorrect before the property sells or before a sale is completed, the information should be updated and given to the buyer.

With the high volume of property transactions that take place, there will inevitably be disputes between seller and buyers, whether or not an SPIS has been completed. The SPIS, when completed, may become an issue in such a dispute. There have been cases where a court has determined the sellers completed the SPIS accurately, honestly and to the best of their ability and the evidence provided by the SPIS is favourable to the sellers. There have been other cases where a court has determined that a seller has not been forthcoming with important information on the SPIS or has provided misleading information to the buyers.

Whether or not the seller completes an SPIS, the law requires a seller to disclose known hidden material defects to a property. In addition, the Real Estate and Business Brokers Act, 2002 requires registrants to determine and disclose "material facts" when a buyer is purchasing a property. The Seller Property Information Statement can be useful in fulfilling these obligations.

This information statement is provided to clarify the purpose and use of the Seller Property Information Statement.

I/We acknowledge receipt of this information:

Property.....

Seller..... Date.....

Seller..... Date.....