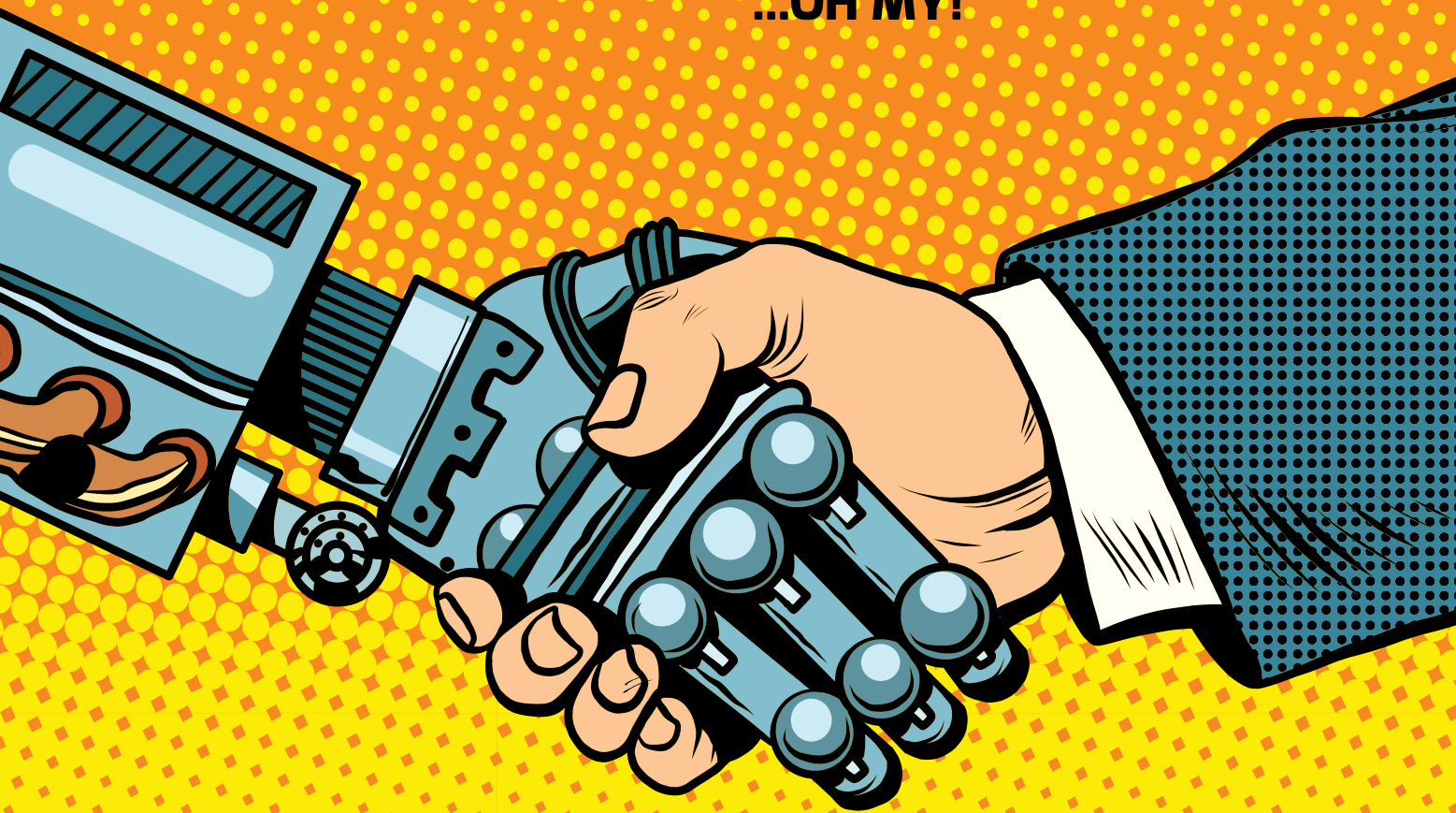


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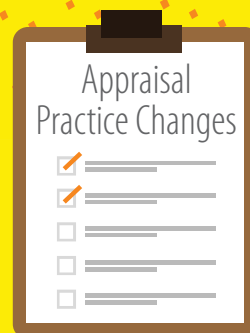
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Cost of Living Trends
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{ SEPTEMBER | TWO THOUSAND & NINETEEN | VOLUME EIGHTEEN | NUMBER FIVE }



Great year so far, but great things are still to come

Somehow, the clock keeps ticking and the calendar pages keep turning no matter how much fun we're having connecting our clients with their dream home or property. Most of us have enjoyed an exciting, busy, perhaps challenging and definitely rewarding summer season. Up next is what will surely be an equally rewarding fall, followed by a Michigan winter that often allows time for a little reflection and planning. There's no better way to get ready for all of this than by setting the stage with what may be the single most important three days of learning available to Realtors® in Michigan.

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Of course, we'll have the Expo with vendors sharing their innovative products and services with you and a full line of featured events like these to keep your mind engaged and your creative juices flowing:

- *The inauguration of your 2020 President, Maureen Francis.*
- *Announcements of the Realtor® Active in Politics and Realtor® of The Year Awards.*
- *A comprehensive selection of CE Marketplace certified knowledge sessions, including specialists in technology, consumer experiences, social media, taxes, marketing, productivity and more!*
- *Key networking opportunities with colleagues in your industry, from your state.*
- *A unique, electric venue in the heart of Detroit!*

We always say that there is so much that you won't want to miss, but this year there really is so much that you won't want to miss. Among the highlight features is this year's keynote speaker, NICOLE MALACHOWSKI. In addition to a distinguished 21-year career in the United States Air Force, Nicole adds jet fighter pilot, combat veteran and White House Fellow to her exemplary list of accomplishments. A debilitating illness brought it all to a crashing halt and left her to overcome enormous odds in regaining her speech, mobility and life. She will challenge your thinking in ways you never expected, and inspire you to a whole new level of success. Do not miss Nicole's presentation at the Grand Assembly on Wednesday. It will give you all the inspiration you need to improve and grow with gratitude and passion.

It's been a fantastic year for the real estate industry and for the economy, and there's no better place to recognize that than back here in Detroit for a huge lineup of knowledge, networking and recognition. We're going to have a great time, and it won't be the same without you.

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Most of us have enjoyed an exciting, busy, perhaps challenging and

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COMING EVENTS

September 10, 12 and 13, 2019

Professional Development Series

September 10 – Kalamazoo

September 10 – Sault Ste. Marie (video conference)

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September 13 – Livonia

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Home surveillance and inspection fee issues

Michigan Realtors® has two key volunteer committees assigned to monitor changes in the law: the Public Policy Committee that tracks all legislation, and the Legal Action Committee that monitors court cases across the state of Michigan that could set precedent for the real estate industry into the future. It will come as no surprise that these committees often overlap. One bad court decision can call just as much of our industry into question as a bad piece of legislation. It's imperative that these committees share intel with one another as existing law leads to court challenges and court decisions often lead to legislation.

In addition to the Public Policy and Legal Action Committees, Michigan Realtors® operates a legal hotline, allowing the association to identify and get ahead of emerging business trends that could open up members our clients to risk and liability. Like the Legal Action Committee, the hotline is often a pipeline for potential legislative initiatives for the Public Policy Committee to consider.

That is where this column begins - - a new piece of legislation aimed at protecting Realtors® and sellers when real property becomes too "smart" for its own good, and the satisfactory resolution of a legal action case that has been moving through the courts, I feel like, almost as long as I've been with this association.

HOME SURVEILLANCE

This column often mentions the committee process for the bills in which we are involved (i.e. First Time Homebuyer Savings Accounts went to Senate Finance, Short-term Vacation Rentals to Local Government, Main Street Fairness Act to Tax Policy). One of the committees that is not regularly mentioned in this column is the Judiciary Committee, but you are going to hear more about it this fall as Michigan Realtors® works on a key piece of regulation dealing with liability for smart homes.

Emerging technology plays a large role in how Realtors® conduct business, sometimes unwittingly. Over the past year the legal hotline has dealt with a number of calls with regard to listening and recording devices in sellers' homes.

This isn't the first time that the hotline has fielded these types of calls. Back in the day there were instances of sellers eavesdropping on buyers through the use of baby monitors, or maybe picking up an open house on a nanny camera. Nowadays, there are all sorts of devices like Ring doorbells, Arlos, Alexas, security cameras, or

electronic devices meant to keep our lives simple and secure - but can also pick up conversations between buyers and their agents in a sellers home - potentially in violation of state and federal eavesdropping law.

Michigan Realtors® has incorporated this issue into our legal continuing education offerings and when we teach these classes, it's always a topic that invites some interesting questions from the crowd. Most recently I had an agent tell me that when they called to present the clients offer, the seller's agent said, "We knew you were going to make an offer because we saw your buyer dancing in the kitchen." Scary, but true. The best advice - - assume that you are always being watched.

In general, video monitoring is prohibited in places where someone has a "reasonable expectation of privacy." However, video monitoring is generally allowed for security purposes and this exception provides significant latitude. With audio surveillance, on the other hand, most states require the consent of all participants, or at least one participant, in the conversation that is being recorded. Michigan is a one-party consent state.

While there are certainly differing opinions of whether potential buyers should have a reasonable expectation of privacy in someone else's home, there is still an issue as to whether or not the seller would need the consent of the parties in the discussion to record audio of their conversation. Some have suggested that a disclosure in the MLS should be sufficient to provide notice. However, mere disclosure in the MLS listing is not the same as the required consent for audio recording. Further, simply showing the home is not enough to establish that the buyer or their agent consented to the recording. Since audio surveillance without consent is criminal and punishable by law, it is easy to see a number of instances where a seller can unwittingly run afoul of the law.

This fall, Michigan Realtors® plans on pursuing legislation that would clearly state that in the case of a real estate showing, audio and/or video monitoring is allowed in a residence if conducted by or at the direction of the owner or principal occupant of that residence, unless conducted for a lewd or lascivious purpose. This change would ensure that no seller would be held liable for knowingly or unknowingly recording potential buyers and their agents. Further, this change would harmonize audio surveillance with the existing home security exception that is already established for video surveillance.

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A VICTORY OVER LOCAL GOVERNMENT FEES YEARS IN THE MAKING

For several years, Michigan Realtors® has been involved in a legal battle regarding a local government's ability to use fees in reasonable relation to the services being provided. It appears that, at long last, we have received additional clarity from the Michigan Supreme Court.

The case, *Michigan Association of Home Builders, et al v City of Troy*, involved a dispute over the scope and application of inspection fees under Michigan's Construction Code Act. The Homebuilders, with support from Michigan Realtors®, argued that the building inspection fees generated under a contract between the City of Troy (the "City") and SafeBuilt Michigan, Inc. ("SafeBuilt") a private inspection company, violated Michigan's Construction Code Act ("Act") and the Headlee Amendment to the Michigan Constitution because the fees were not reasonably related to the services provided.

Specifically, Section 22 of Michigan's Construction Code Act states that municipalities can only charge fees for building department services that are reasonably related to the cost of the service and that those fees may only be used for Building Department services and a Construction Board of Appeals. Section 22 expressly provides that fees shall not be used for any other purposes. Similarly, the Headlee Amendment at Section 32 requires that the amount of any "fee" charged by a municipality for a service, bear a reasonable relationship to the cost of providing the service.

The contract at the center of this longstanding dispute outsourced the operation of the City's Building Department to SafeBuilt. The City compensated SafeBuilt by paying 75-80% of the fees it collected for Building Department services. The City then retained the remaining 20-25% of those fees. The surplus fees were deposited into the City's general fund and used for the purpose of paying back alleged historical deficits incurred by the City in the operation of its Building Department in the years preceding its contract with SafeBuilt. The Supreme Court found that those fees retained by the City, which were pure profit or surplus, were retained in violation of the Act.

As to the Headlee Amendment claim, the Supreme Court remanded the case to the trial court for further proceedings to allow the plaintiff associations to establish representational standing; that is, to demonstrate that some of their members have paid the excessive fees at issue. As this lingering issue moves forward, it will be interesting to see the type of statewide impact this ultimate determination could have.

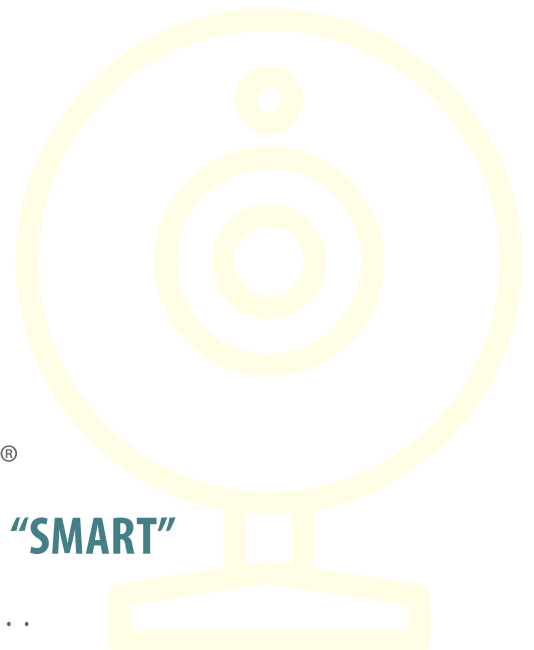
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...a new piece of legislation aimed at protecting Realtors®

and sellers **WHEN REAL PROPERTY BECOMES TOO "SMART"**

... and the satisfactory resolution of a legal action case ...



Great Variation in 2019 Cost of Living

Interesting economic trends in cities around the world.

BY PETER GILMOUR

In real estate markets around the world, one of the many factors affecting supply and demand is the cost of living in that market, and the changing components of living costs—compensation packages, house rentals, schooling costs, recreational costs, etc.

TRENDS IN GLOBAL CITY ECONOMICS

Some exciting trends are revealed in the 2019 Worldwide Cost of Living survey conducted by The Economist Intelligence Unit, a research division of The Economist Group. For the first time in the survey's history, the title of the world's most expensive city goes to three cities—Singapore, Hong Kong, and Paris. Also appearing in the Top 10 most expensive cities are Zürich, Geneva, and Copenhagen in Europe, Osaka, and Seoul in Asia, New York and Los Angeles in North America and Tel Aviv in Israel.



With the strong U.S. economic growth in 2018 and corresponding appreciation of the U.S. dollar, most cities rose in rankings in 2018. San Francisco was up 12 places to 25, Houston up 11 places to 30, Seattle up eight places to 38, and Cleveland and Detroit up eight places to 67. In addition to New York and Los Angeles, only Minneapolis achieved the top 20 rankings.

WHAT MAKES A CITY EXPENSIVE OR INEXPENSIVE?

If one looks at cities by category, Copenhagen owes its ranking to high transport and recreation costs. Asian cities are expensive due to general shopping and consumables spending. European cities are ranked high due to household, recreation, and entertainment categories.

At the lower end of the scale, the least expensive cities in the world have also seen changes. Asia, with some of the most expensive cities, also has many of the world's least expensive cities, particularly those in India and Pakistan.

Bangalore, Chennai, New Delhi and Karachi feature among the 10 cheapest cities surveyed. In those countries, wages and spending growth remain low, and this limits household spending. Rural producers can supply cities with retail goods cheaply, and when you add government subsidies, prices are well below those in Western countries.

Emerging markets had a lot of currency volatility in 2018 due to the strong U.S. dollar but also encountered political instability and corruption. Istanbul in Turkey had the most significant decline in its ranking, falling from 48th place to 120th. Buenos Aires in Argentina also fell sharply in its ranking to 125th place—in the bottom 10 cities ranked. Other cities in the bottom 10 were Caracas in Venezuela, Lagos in Nigeria and Damascus in Syria.

Cost of living in places around the world is always fluctuating. Slowing global growth in the next two years will continue to affect the rankings of many cities. Oil prices will also affect economies that rely heavily on oil revenue and oil imports. The relative cost of living in the U.K. and Europe, due to Brexit, is still to emerge as supply chains become more complex and new import duties are imposed. A slowdown in growth in China could have consequences for the rest of the world, and the lasting impact of the U.S. - China trade war is still to be judged.

To view the report, go to <https://www.eiu.com/topic/worldwide-cost-of-living> ●



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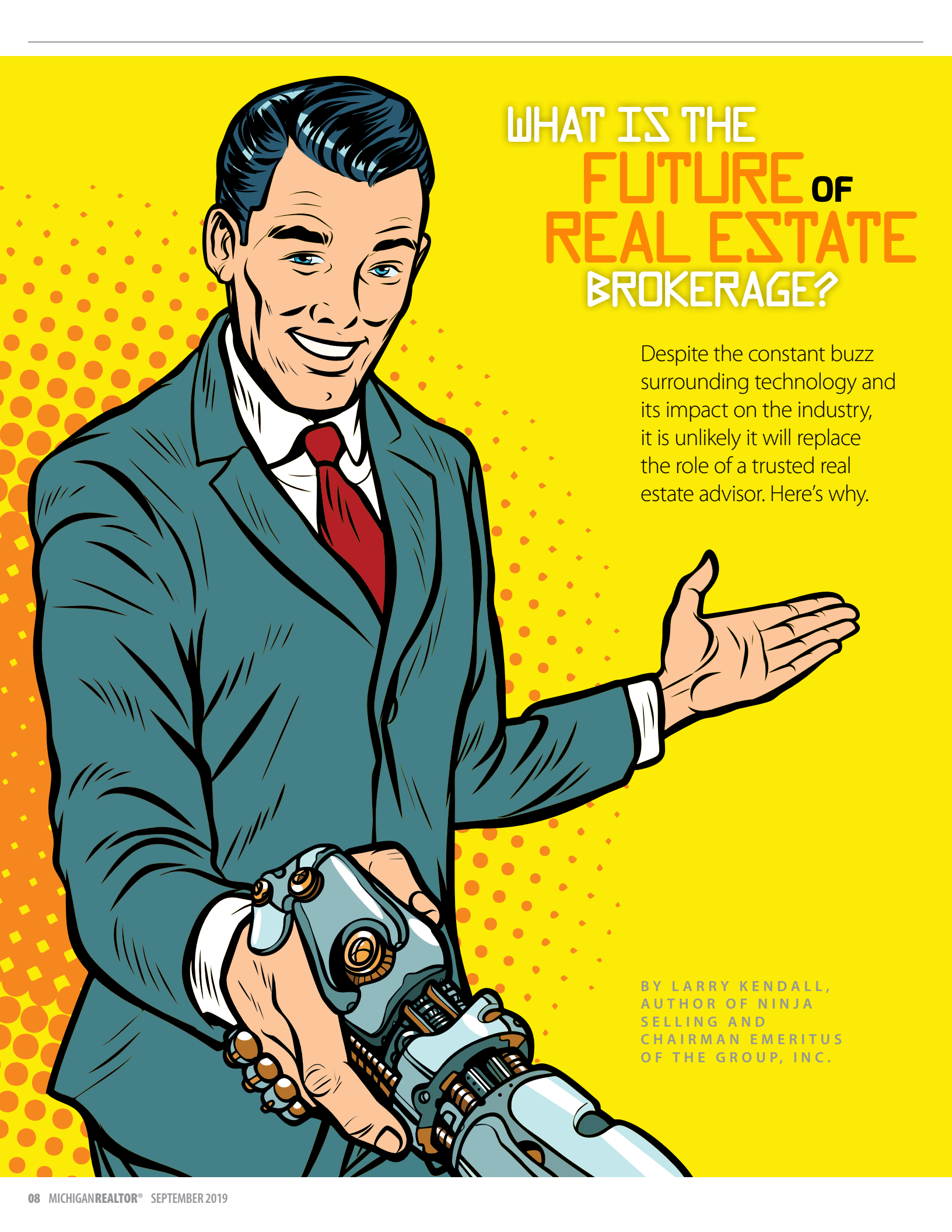
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WHAT IS THE FUTURE OF REAL ESTATE BROKERAGE?

Despite the constant buzz surrounding technology and its impact on the industry, it is unlikely it will replace the role of a trusted real estate advisor. Here's why.

BY LARRY KENDALL,
AUTHOR OF NINJA
SELLING AND
CHAIRMAN EMERITUS
OF THE GROUP, INC.

Will technology, artificial intelligence, and machine learning change the real estate business? The answer is yes. Will these disruptors replace the role of the real estate sales associate? I don't think so. There are five universals or pillars of our business

that have not changed and will require the role of a trusted real estate advisor in the future. Technology will change how we do the business, but these five pillars make what we do unique and require a carbon-based life form to orchestrate them.

FREQUENCY

People only purchase or sell a home on average every 8 to 10 . This is not the same as ordering book, an airplane ticket, or a Netflix . The requirements for selling and buying 10 years ago may be very different today. Most people only buy or sell a home four or five times in their lifetime. The experience ranks up there with graduations and weddings in the frequency of life events. Due to the lack of frequency, people need help navigating the process, which changes with market cycles and legislation.

UNIQUENESS

Every property is unique and has unique marketing challenges. We are not selling iPads or cars. We are selling one of a kind. Add the different personalities of buyers and sellers into the equation, and every real estate transaction is unique. Have you ever had to talk a buyer or seller off a ledge? Throw in the emotions of a divorce or a job transfer. Does a computer algorithm have the empathy and counseling skills to deal with the human side of a real estate transaction? A trusted advisor, not machine learning, is the critical value component here.

SIZE

The numbers are huge- typically a home is the largest financial and emotional transaction in a person's lifetime. It's not the same as ordering an Uber.

COMPLEXITY

There are a lot of moving parts in a real estate transaction-by some estimates over 80 details to be handled. The real work often starts after going under contract. The iBuyer movement is attempting to simplify the process, but at a significant cost to the seller. Will this movement be a niche or become broad-based? Because of the other four pillars, my feeling is that the iBuyer component will be a niche for some sellers.

RISK

Due to the size and complexity of the transaction, there is a fair amount of risk. If something goes wrong, you can't just "send it back" as you do products from Amazon.

Because of these five pillars, clients need sales professionals with deep smarts in marketing, negotiation, real estate law, and contract management as well as empathy, customer service, and communication skills. They need a trusted real estate advisor and concierge.

When I go over these five pillars with sales associates, owners, and managers, they seem to get a stroke of insight and clarity. They stop being confused and afraid of the disruptors and new technologies. They start focusing on their relationship-building

skills, empathy, and finding ways to create a WOW! experience for their clients. The new technologies will assist the sales professional, but not replace them. Most clients are not looking for an app or algorithm to help them. They want an empathetic, trusted advisor. Provide this level of service, and our future is very bright! ●



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Preparing for Changes to 2020-21 Edition of the Uniform Standards of Professional Appraisal Practice Part 1

BY MICHEAL R. LOHMEIER,
MMAO(4), PPE, FASA, MAI, SRA

Every real estate appraiser in Michigan must comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when preparing appraisal reports. When signing an assessment roll, every Michigan assessor is required to ensure that the mass appraisal methods and procedures used are in adherence with USPAP. USPAP represents the minimum best practices for valuation professionals to use. Many personal property and business appraisers adhere to USPAP's requirements because of the organizations they belong to requires compliance, because of agreement with their clients or simply by their own choice.

USPAP is published every two years. On April 5, 2019 the Appraisal Standards Board (ASB) of The Appraisal Foundation approved changes to its USPAP 2020-21 edition. The USPAP 2020-21 edition is effective from January 1, 2020 through to December 31, 2021. The ASB has the definitive authority within The Appraisal Foundation for developing, amending and interpreting USPAP. All official USPAP requirements and guidance begins and ends with the ASB.

The USPAP document will be available in fall of 2019. However, it's important for appraisers, assessors, regulators and users of appraisal services to understand the adopted changes as early as possible to become better prepared prior to its January 1 effective date.

I'm often told USPAP requirements are too strict, or USPAP

doesn't allow an appraiser to do something they are asked to do; something legitimate that is. It's important to recognize that USPAP provides appraisers requirements to which they must adhere and also appraiser's broad flexibility in providing a variety of services to meet their clients' legitimate needs. Typically, after I talk to the appraiser or potential user, it becomes apparent that they just had a misunderstanding about its requirements. USPAP should never be thought of as an obstacle to providing a legitimate appraisal service.

WHY ARE THERE CHANGES?

Many changes made to USPAP are done to clear up concerns and misconceptions about USPAP's requirements, as well as enable professionals to keep up with an ever evolving marketplace. The changes adopted by the ASB for the 2020-21 edition include, in most part, changes which are meant to provide appraisers greater flexibility in appraisal development and reporting as well as ensure that USPAP's requirements continue to protect and maintain public trust in the appraisal profession.

This 2-part article addresses the changes which were of most significance for which you should be aware. Appraisers are encouraged to review the entire USPAP 2020-21 edition when it becomes available, as well as take The Appraisal Foundation's 2020-21 USPAP Update seminar.

APPRAISAL REPORTING CHANGES

Over the past two years the ASB proposed changes to USPAP which would allow for a single reporting option, instead of the two options that are currently available. Substantively, the two current reporting options include (1) the Appraisal Report option where, at a minimum, much of the information and analyses is summarized and (2) the Restricted Appraisal Report option, where, again at a minimum, a statement of facts and conclusions need only be provided. In a Restricted Appraisal Report much of the analyses may be maintained in an appraiser's workfile.

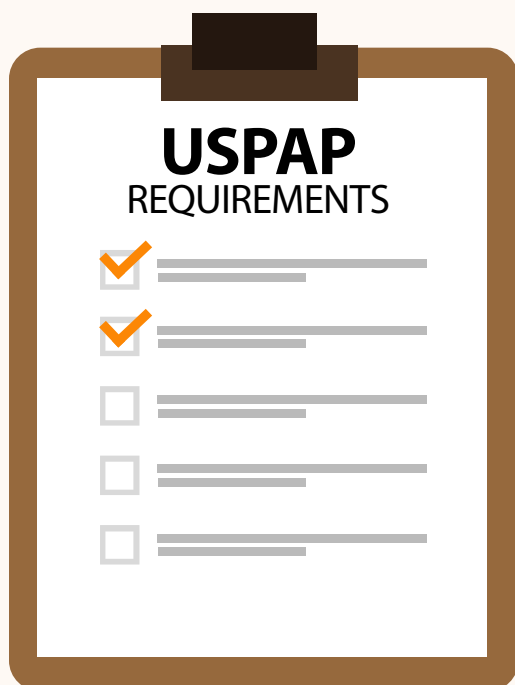
How did they manage to offer a single reporting option? Basically, they got to a single reporting option by merging the two existing reporting options together and ending up somewhere in between each. This was a good mid-point compromise offered by the ASB in order to make the detail of communication more of a responsibility burdened by the appraiser based on individual assignment requirements and less an umbrella requirement imposed by Rules.

During the four exposure draft periods, each allowing for an abundance of input and discussions, there were two fundamental concerns expressed by appraisers, regulators and users of appraisal services. The first concern was that by reducing the number of reports to a single reporting option, it would inadvertently increase the requirements currently required by the Restricted Appraisal Report option. The second concern was that it would also inadvertently decrease the requirements currently required by using an Appraisal Report option. Both concerns had merit, so the ASB has retained both options, and has continued to identify them as an (1) Appraisal Report and (2) Restricted Appraisal Report. However, some substantial reporting changes were still made which enable USPAP to provide much greater clarity and flexibility.

RESTRICTED APPRAISAL REPORT PERMITS ADDITIONAL INTENDED USERS

In the past the Restricted Appraisal Report option could only be used when the client was the only intended user, meaning there could be no other intended users. It was a client-use only option. The ASB adopted changes that now permit the Restricted Appraisal Report be allowed by additional intended users. The key to allowing the additional intended users is that they must be named in the report, and not just identified by type. This allows the appraiser to take into account the specific needs of the additional intended users completely when communicating the report. This change gives appraisers a much greater option for providing services for certain assignment types.

The ASB also adopted changes stating that the warning language pertaining



to the use of a Restricted Appraisal Report no longer has to reference the appraiser's workfile. In the prior editions, the appraiser had to state a warning that the rationale for how the appraiser arrived at the opinions and conclusions may not be understood properly without additional information in the appraiser's workfile. This is not necessary, as the appraiser shoulders the responsibility that the client and any other identified intended users must be able to understand the report properly. So, there was a contradiction with an appraiser's responsibility to have its report understandable and the workfile warning. Deleting the warning language clears up that the appraiser must write an understandable report.

SUPPLEMENTAL CERTIFICATION

Changes were approved to clarify that when an assignment requires a certification does not include all the elements required by USPAP, the appraiser is required to include a supplemental certification to meet those missing elements. This requirement is stated in Standards Rule 2-3(d) as

"When an assignment requires the use of a certification that does not include all of the certification elements in this Standards Rule, the appraisal report must contain a supplemental certification, which includes the remaining required certification elements."


The signing appraiser would still sign the provided certification but does not have to sign the supplemental certification as well. Only one signature for the certification is required.

CHANGES TO COMMENTS


Comments are an integral part of USPAP and have the same weight as the component of USPAP they are addressing, such as DEFINITIONS, RULES and Standards Rules. They provide interpretation or establish context for what they are addressing. Although the ASB maintains the importance of the role of Comments in USPAP, they did make some changes. Some Comments were deleted that appeared to be duplicative of requirements stated elsewhere within USPAP. Other Comments were incorporated directly into USPAP by making them a part of a Standards Rule to increase the clarity of USPAP. For example, Standards Rule 2-3, relating to a real property appraisal Certification, was broken up into 4 parts with its original Comment elevated and moved into subsections (a), (b), (c) and (d). This is intended to better clarify the appraiser's obligations. ●



***Michael R. Lohmeier**, MMAO(4), PPE, FASA, MAI, SRA, is the City Assessor for the City of Novi. He has authored and taught extensively on subjects involving real estate, valuation, property tax, and standards of professional practices locally and nationally. He is available for further questions relating to this article at 248.347.0493 or his email at MLohmeier@cityofnovi.org*



On April 5, 2019 the Appraisal Standards Board (ASB) of The Appraisal Foundation **APPROVED CHANGES TO ITS USPAP 2020-21 EDITION.**



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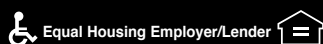


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By signing a Seller's Disclosure Statement, sellers are certifying that the information is true and correct to the best of sellers' knowledge as of the date of the sellers' signature. The Seller Disclosure Act ("SDA") provides, and the Court of Appeals has acknowledged, that sellers have an obligation to amend a Seller's Disclosure Statement, but only in the case of changes in the "structural/mechanical/appliance systems." If something happens that triggers the sellers' duty to amend their Seller's Disclosure Statement, and they do not, they may be liable for fraud or silent fraud.

BY GAIL A. ANDERSON, ESQ.,
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If a Seller's Disclosure Statement is amended, the buyer has the option of terminating the purchase agreement. We often get calls from buyers' agents who have demanded an amended Seller's Disclosure Statement so that their buyer can rescind the transaction. It is unlikely that the buyer's right to rescind will depend on whether the sellers can be "tricked" into providing a new Seller's Disclosure Statement. A court would likely find that if an amendment is required, the buyer has a right to rescind, even if the sellers refuse to actually amend the form. The buyer's right to rescind will more likely turn on whether the sellers had an obligation to amend the form.

When completing (or amending) a Seller's Disclosure Statement, sellers must remember that it is fraudulent to assert that you have no knowledge as to the condition of something if, in fact, that is not true. If, for example, the sellers know that their roof leaks, it is fraudulent to represent that it does not leak. It is no less fraudulent for the sellers in this situation to represent that they do not know if the roof leaks. Both statements are false. Michigan courts have consistently held that "a misleadingly incomplete response to an inquiry can constitute silent fraud."

What if the sellers do not learn of an alleged inaccuracy directly? For example, what if it is a buyer's inspector that discovers a "structural/mechanical/appliance" problem? If, as a result of an inspection, a buyer terminates the purchase contract, do the sellers need to amend their Seller's Disclosure Statement? It would seem that in most situations, the answer to this question is "yes." While there may be situations where the sellers have a good faith basis for disagreeing with a buyer's inspector's assessment, in most instances, the far safer course of action is to disclose. While it is true that the statute provides that sellers are not liable for any inaccuracy that was not within the personal knowledge of the sellers, it is also true that the statute provides that "each disclosure required by this act" be made in "good faith." Michigan courts have interpreted this language to mean that sellers are not only responsible for inaccuracies that they knew were false, but also that they should have known were false "by the exercise of ordinary care." Sellers who learn of a structural defect as a result of a buyer's inspection cannot avoid responsibility through deliberate ignorance.

CONTRACTUAL OBLIGATIONS ABOVE AND BEYOND THE SDA

Sometimes, sellers may contractually agree to update their Seller's Disclosure Statement in situations where they might not be statutorily obligated to do so. For example, some purchase agreement forms contain language such as the following:

Seller will inform Buyer in writing of any changes in the content of the Seller's Disclosure Statement prior to closing and will be responsible for maintaining the condition of the property as disclosed.

Other purchase agreements contain language by which the seller recertifies the accuracy of the disclosure statement as of the date of the purchase agreement:

Buyer has received Seller's Disclosure Statement dated _____, Seller certifies to Buyer that the property is currently in the same condition as Seller previously disclosed in that statement.

Finally, it is the custom and practice of some closers to have the sellers resign and date their Seller's Disclosure Statement at the closing table. In doing so, the sellers are, in effect, certifying that they are aware of no changes to the condition of the home since they first filled out the form.

In each of these instances, it would appear that the sellers have contractually obligated themselves beyond the requirements of the SDA.

RESPONSIBILITY OF LISTING AGENTS

The Seller's Disclosure Statement expressly provides that the representations made in the disclosure statement are made solely by the seller and are not representations of the listing

agent. The SDA provides that a listing agent will not be liable unless the listing agent "knowingly acts in concert" with the seller. The Court of Appeals has opined that the standard is similar to that of a civil conspiracy. In other words, did the listing agent and the seller work together to conceal a problem by providing an inaccurate disclosure statement to the buyer?

If the listing agent is determined to have been "acting in concert" with the seller in presenting a knowingly false Seller's Disclosure Statement, the listing agent may be liable for fraud.

When advising seller clients as to their disclosure obligations, listing agents should keep in mind that if the sellers get sued based on the information they provide in their Seller's Disclosure Statement, the advice that the sellers were given by their agent will almost certainly be examined in great detail. Listing agents never want to be in the position of having their seller-clients testify that while they wanted to disclose the defect, their listing agent talked them out of it.

CONCLUSION

When deciding whether or not they should amend their Seller's Disclosure Statement, sellers should look at the requirements under the Seller Disclosure Act, as well as any additional contractual obligations they may have under their purchase agreement. Sellers should also keep in mind that even if they have a strong legal argument that an amendment is not technically required, if there is a lawsuit, it will be costly to defend even if successful. If, for example, the Seller's Disclosure Statement says that the roof doesn't leak, and there is evidence that at some point the sellers knew that statement was false, a court will need to sort out when and how the

sellers knew of the leak and whether the roof leak was a "structural" matter. This will be time consuming and thus, costly. Moreover, these types of decisions involve subjective judgment and are therefore unpredictable. For these reasons, sellers may be well advised to amend their Seller's Disclosure Statement even if they believe such an amendment is not technically required.

A NOTE ON RELEASE CLAUSES

The Michigan Court of Appeals recently relied on a release clause in a purchase agreement to throw out a claim against a listing agent who was alleged to have acted "in concert" with the sellers to provide a false Seller's Disclosure Statement. While the decision is unreported and thus nonbinding on other courts, it is nonetheless a good idea to make certain that your purchase agreement forms contain language similar to the following:

RELEASE: Purchaser recognizes that Seller has provided Purchaser a required Seller's Disclosure Statement. Purchaser has been afforded the right to independent inspections of the property and Purchaser affirms that property is being purchased "AS IS" and hereby knowingly waives, releases and relinquishes any and all claims or causes of action against Listing Broker, its officers, directors, employees and independent sales associates. Purchaser and Seller recognize and agree that brokers and sales associates involved in this transaction are not parties to this Agreement. Listing Broker and sales associates specifically disclaim any responsibility for the condition of the property or for the performance of the Agreement by the parties. Listing Broker assumes no liability for performance of any inspection or statements on Seller's disclosure form. ●

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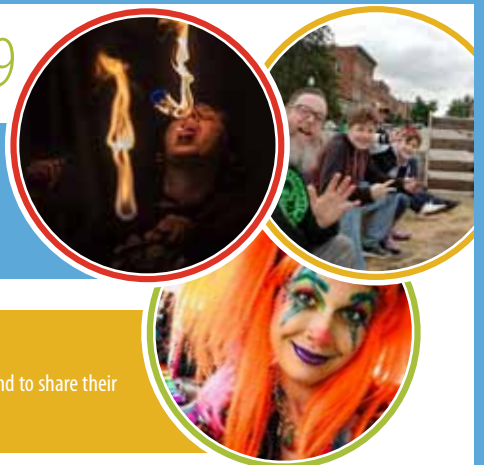

Michigan Placemakers | September 2019

What impact have you seen in your community from intentional community revitalization?

Manchester has a TON of traditions that the many multi-generational residents take great pride in, that are now being brought back to life even bigger and better! The community is motivated to build on the traditions of the past, and seems to be on a joint mission to put Manchester back on the map like it had been in the past.

What unexpected outcomes have you experienced through these activities?

New ideas and new faces are welcomed by families of decades past to be a part of carrying on these Manchester traditions and to share their ideas. This renewed, collaborative passion for our community's revitalization is probably the thing I am most proud of.



Project Name
3rd Thursdays

Grant Recipient
Manchester Area Chamber of Commerce

Location
Manchester, MI

Completion Date
October 2018, awarded a continuation grant for 2019



Featuring Special Guest

Jennifer Wojtowicz

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