

# 5 Quick Facts & Tips About the SPDS to Keep in Mind

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## FACT:

Use of the Arizona REALTORS® Residential Seller's Property Disclosure Statement (SPDS) is not mandated by Arizona law. However, Sellers are legally required to disclose known facts materially affecting the value of the property that are not readily observable and are not known to the buyer.

## TIP:

Sellers should always use a SPDS as failure to do so makes it more likely that they will inadvertently fail to disclose a material fact.

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## FACT:

Even if a buyer waives receipt of a SPDS, the seller is still bound by their legally mandated disclosure obligations.

TIP: In the event a buyer agrees to waive the SPDS, it is recommended that the buyer's agent provide them with a blank version of the form for their review.

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## FACT:

Although the seller has never lived in the home, they are still legally required to disclose what they know about the property.

TIP: In a traditional "fix and flip," the seller does not live in the home. However, it is still critical that they disclose all they know, including the repairs and upgrades that they performed.

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## FACT:

If utilizing the Arizona REALTORS® Residential Resale Real Estate Purchase Contract, the seller contractually agrees to deliver a completed SPDS to the buyer within three days of contract acceptance.

TIP: If the seller fails to deliver the SPDS within three days after contract acceptance, the disapproval period for those items is the end of the inspection period or five days after receipt of the SPDS, whichever is later.

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## FACT:

By law, sellers are not obligated to disclose that the property is or has been: (1) the site of a natural death, suicide, homicide or any other crime described as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed with AIDS or any other disease known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. See A.R.S. § 32-2156.

TIP: Although the statute does not obligate the seller or brokers to disclose such issues, if asked, a seller must answer truthfully or state that the information will not be disclosed.



255 E. Osborn Rd., Suite 200 • Phoenix, AZ 85012  
Phone: 602.248.7787 • Toll-free in AZ: 800.426.7274  
Fax: 602.351.2474 • www.aaronline.com