

“AS IS”

The term “as-is” is regularly used in residential purchase agreements. The term may be interpreted to mean the seller may not be willing to pay for any repairs. It might imply that a property could be defective. The buyer who accepts the property “as is,” is agreeing to accept that as a condition of the sale.

There tends to be a common misconception that an “as-is” provision completely shields the seller from making required disclosures. A seller must still make disclosures they normally would on defects with the property that they are aware of. They may not insert an “as-is” clause into a contract and assume that they are safe from claims for property defects.”¹ In other words, the use of the term “as-is” does not mean the seller gets to conceal or mischaracterize the present condition of the property in any way.

“Even though an “as-is” clause may give some protection to the seller from unknown defects, the clause is inoperative when the seller actively misrepresents the condition of the property.”² An “as is” clause in a purchase agreement requires a buyer to take the property with no warranties of fitness or condition, and with all existing defects. It is essential that a buyer conduct their own due diligence and do their best to discover the present condition of the property, to determine whether they want to purchase it in that condition.³

Since 1995, most Nevada residential sellers⁴ are required to complete the mandated Sellers Real Property Disclosure form (SRPD) identifying all defects in the property of which they are aware.⁵ However, even if the seller is exempt from providing a buyer or prospective buyer with an SRPD, the seller remains obligated to disclose “any and all known conditions and aspects of the property which materially affect the value or use of residential property in an adverse manner.”⁶

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¹ “As-Is” – What Does This Really Mean? Tiffany Banks, General Counsel. Nevada REALTORS®. nevadarealtors.org Legal Center. Articles and FAQ's. Recent Legal Articles. July 1st, 2019

² The Language of Real Estate. John W. Reilly. Dearborn Real Estate Education. pp. 32. 5th Ed. 2000. Chicago, IL.

³ “What Does it Mean When a Property is Sold As-Is”? Schorr Law, A Professional Corporation. <http://schorr-law.com/buying-or-selling-a-property-as-is/>

⁴ NRS 113.130(2)

⁵ NRS 113.110 & NRS 113.150

⁶ NRS 113.100(1)