

(H. B. 1096)
(Reconsidered)

(No. 93)

(Approved May 16, 2006)

AN ACT

To amend Section 31 of Act No. 10 of April 26, 1994, as amended, known as the “Act to Regulate the Real Estate Business and the Profession of Real Estate Broker, Salesperson or Companies in Puerto Rico,” to add subsection 22 in order to establish the obligation of real estate brokers to instruct buyers on the need and convenience of having a duly certified expert perform a physical inspection of the real property as a part of the real estate transaction.

STATEMENT OF MOTIVES

The purchase of real property is one of the most transcendental transactions in the lives of many people. Consequently, the purchase of real property should be made with awareness and understanding. A physical inspection of a property performed prior to the purchase is of vital importance for all the parties involved.

Many people turn to real estate brokers in order carry out the sale or purchase transaction of real property. These professionals are called upon to serve as intermediaries in real estate transactions, having the responsibility to render services of the highest quality and excellence. Within this service, it is essential for the real estate broker to instruct customers on the need to perform a physical inspection of a particular property when dealing with a

property that is not new. We all know that the essential components of real property deteriorate with time, and often, this is not visible to the naked eye.

We consider that this measure is beneficial for all parties involved in a real estate purchase and sale transaction, since it would protect both the broker and the seller from claims for defects found in the property after the acquisition thereof. Likewise, it benefits the purchaser because it helps him/her to purchase with certainty, reduces the risks of deficiencies and flaws, putting him/her in a better position to negotiate the acquisition of a property at a fair and reasonable value.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- A new subsection 22 is hereby added to Section 31 of Act No. 10 of April 26, 1994, as amended, to read as follows:

- (1) ...
- (2) ...
- (22) The failure to notify and advise the owner prior to the signing of the brokerage contract and the prospective buyer prior to the execution of a written purchase option or purchase and sale contract and as a part thereof, on the need and convenience of having an expert, duly certified by the Commonwealth of Puerto Rico, perform a physical inspection of the real property as a part of the real estate transaction. The owner or prospective buyer shall certify with his/her signature that he/she has received the broker's advice.

Section 2.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 93 (H.B. 1096) (Reconsidered) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to amend Section 31 of Act No. 10 of April 26, 1994, as amended, known as the “Act to Regulate the Real Estate Business and the Profession of Real Estate Broker, Salesperson or Companies in Puerto Rico,” to add subsection 22 in order to establish the obligation of real estate brokers to instruct buyers on the need and convenience of having a duly certified expert perform a physical inspection of the real property as a part of the real estate transaction,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 8th of September of 2006.

Francisco J. Domenech
Director