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New dwelling on leased land purchase and sales agreement

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Are you tired of scrambling for a contract when you're negotiating the purchase and sales of a cottage, mobile or manufactured home, or other type of residence that is on leased land? The Rhode Island Association of Realtors has created a new purchase and sales agreement that is designed for these types of transactions. The form is now available in the Transit Forms Library. Buying or selling a dwelling on leased land is different from a conventional sale. The buyer is buying personal property instead of real estate, which means that different procedures and laws may apply.

Here is a summary of how the Dwelling on Leased Land Purchase and Sales Agreement is different.

2. Description of Dwelling

Check a box whether it's a manufactured/mobile home or a house/cottage. Lenders usually want a serial or medallion number of a mobile home.

5. Closing Date/Place:

The seller may be transferring the dwelling by a bill of sale rather than a title.

6. Deposits:

The listing broker still holds the buyer's deposit in an escrow account, but if there's a dispute, the Department of Business Regulation deposit dispute requirements won't apply. This means that you won't be required to send the deposit to the State Treasurer if there's a deposit dispute. The broker will have other options, such as continuing to hold the funds in escrow or file an interpleader.

8. Financing Contingency:

The buyer would apply for a loan to purchase instead of a mortgage.

10. Personal Property and Fixtures:

Any outdoor fixtures like a built-in swing set, flagpole, or shed are subject to the approval of the owner of the leased land.

11. Bill of Sale/Title:

The seller may deliver a bill of sale or a title depending on the type of dwelling that is being transferred.

12. Taxes, Adjustments, Other Assessments:

The dwelling is taxed as personal property instead of real estate. The adjustments will include any park or association fees that apply.

13. Lessor Rules and Restrictions:

The buyer will have an opportunity to review the park rules and regulations. Some owners of leased land have adopted formal bylaws and pages of detailed association or park rules and yearly leases. Other owners may have informal rules and regulations and month to month leases. Are there any special rules about pets, banners and flags, parking, etc.?

14. Rental Approval Contingency:

The agreement is contingent on the buyer's being able to negotiate a satisfactory lease with the land owner and includes space to include the contact information of the land owner.

18. Inspection Contingency:

The buyer will have ten business days to inspect the home and end the agreement if the buyer isn't satisfied with the results. The buyer can also ask the local building official to issue a certificate of approval that shows the home complies with zoning and is safe for habitation. All building inspectors may not be familiar with this law, so we've included the citation.

If you have questions contact the RIAR Legal Department.

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