

## WHAT DOES A SURVEY DO FOR ME?

In today's competitive real estate mortgage market, many lenders are dispensing with the requirement of a survey for the home purchaser. The exception to this trend, however, is in new construction, where a new survey will always be required. Lenders can afford to take this position since most title insurance companies will provide "Affirmative Survey Coverage" to the lender.

What does this mean to you, the new home purchaser? In a single word, **exposure!** Granted, not having a survey will save you on the average between \$400.00 to \$750.00, but the potential exposure can be devastating. Let's take a closer look at how a survey benefits the new home purchaser.

When you or your attorney engages the services of a surveyor, the surveyor is responsible for conducting research in the county clerk's office for the deed of record for the property you intend to purchase, and your neighbors deed descriptions to ascertain whether there are any boundary discrepancies. Once the preliminary background research is completed, the surveyor conducts a site inspection of the premises with his or her equipment to locate and plot not only the boundaries of the property being purchased, but also the location of all improvements to the property. The result of this work culminates in a drawing which sets forth the property lines, location of the physical and structural improvements present on the property, location of easements, building set-back lines, and most importantly discloses any encroachments onto the premises by neighboring property owners or any projections of improvements from your property onto neighboring properties.

Now you have a picture of your property with all improvements, etc. But how do you locate and orient this picture to the ground. Unless there is physical corner monumentation (i.e., concrete monuments, iron rods, pins or pipes) you may never be able to locate your boundaries. It is highly recommended that you advise the surveyor that you desire permanent corner monumentation. This extra step does, however, increase the cost of your survey, typically between \$50.00 and \$75.00 a monumented corner.

How does the survey fit into the greater picture? As indicated above, title insurance companies are willing to insure a lender against any adverse matters which an up to date survey may disclose. This "affirmative insurance" thus allows title companies to additionally insure lenders against the impact of various covenants and restrictions. Without a survey, the purchaser cannot obtain similar insurance against the impact of these covenants and restrictions. With a survey, however, your attorney can now negotiate this special coverage for an owners policy of title insurance, thus affording you, the home purchaser, greater protection against title claims.

Finally, the survey should be certified. Certification should run to the purchaser(s), lender, title company and your attorney. The certification is the "contractual contact" between the surveyor and those he or she certifies the survey to.

A properly monumented and certified survey, together with an owners policy of title insurance is your greatest protection against potential costly problems arising down the road.

Should you have any questions as to the merits of surveys, contact Kenneth M. Schwartz, Esq. at (518) 785-1111.