



Riddled by Resales

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Recently, the Legal Information Line has been riddled with recurring questions about resales. A majority of the questions seem to stem from unit owners not wanting to fork over the money for resales, or in some instances, from a real estate licensee trying to be “helpful” and save their clients’ money. So, let’s solve these recurring resale questions!

Question 1. *I represent a buyer purchasing two condominiums in the same community. Both condos are owned by the same seller. The listing agent insists that since both condos are in the same community, the seller should only have to order one resale package. Is this legal?*

Answer 1. No. NRS 116.4101 does not provide an exemption for a unit owner to use a unit’s resale package, for other units owned.

- Let’s bust out our word scalpel, and take a look at the law implicated, NRS 116.4109, which says in pertinent part (1) a **unit’s owner** shall... It does not say an owner of units.
- We keep reading and see the resale must contain things that are specific to a unit, such as a statement including fees **currently due from the selling unit’s owner**. NRS 116.4109(1)(b).
- Lastly, in each instance that this question has been poised into the Legal Hotline, I asked the caller: *Does the resale indicate it’s property specific?* The response in every instance was unanimously “yes”; the property’s address was listed somewhere on the resale (e.g. the front welcome page of the packet). Then the real estate licensee would proceed to minimize that specificity and plead: “but everything else in the package is standard / the same!” **The resale that indicates the unit’s address is specific to the property and using it for other units albeit in the same community would be improper!** Reusing it for another unit, would sound alarm bells in a buyer of another unit who’s left wondering why’s the wrong address on the resale, and even worse, gives the buyer a potential legal path to pursue the seller for recourse. NRS 116.4117.



Another version of this comes into the Legal Information Line as follows:

Question 1(a). *The “helpful” real estate agent. As the agent on behalf of the seller, I ordered a resale package for a 55+ aged community last month. I now have a new listing in the same community. Can I use the same resale package since it's less than 90 days old and within the same community?*

Answer 1(a). In this particular case, the caller was trying to help their clients so they wouldn't have to incur the cost of the resale package, and conflating the applicability of NRS 116.4109(5), the resale packages are good for the 90 days section. ***By law the resale package is the unit owner's expense! NRS 116.4109. Do not aid and abet the seller's non-compliance with the law!***

Question 2. I represent the buyer, and during negotiations, the seller countered the number of days the buyer has to review the resale package - from five (5) days down to three (3) days. Is that legal?

Answer 2. Not a chance! We have to remember that the 5-day period is a statutory right that the ***buyer holds***. The seller is obligated by law to provide that. Now, if the buyer reviews the resale quicker than the 5-days, let's say in one expeditious day, and wants to move forward, that's fine. There's no requirement for the buyer to use the full 5-days but the choice and opportunity to do so lives solely with the buyer, and cannot be whittled down by the seller.

Along these lines, the Legal Hotlines receives questions asking if the buyer can waive the resale package. **By law, the seller has to provide the resale package; it is a non-waivable requirement!**

Question 3. A seller just finished paying a total of \$580, plus fees (making it really close to \$600) for one resale package. This is not the first time this has happened recently. These Common-Interest-Communities (CIC) fees are getting out of control. The CICs are charging \$155 for "core documents" (the "demand" itself), requiring a \$125 "inspection report" fee (not optional, required), an \$11.20 "convenience fee", a second \$125 "inspection report" fee (they are double charging for a covenants compliance inspection), and another \$12 convenience fee. Are there any caps in the law that limit the amount these companies can charge for these resale package fees?



Answer 3. Yes. Complaints about overcharging can be directed to the Real Estate Division on the Overcharge Complaint Form which conveniently identifies the statutory caps here: [Form 910 - Resale Package Overcharge Form \(nv.gov\)](#).

Question 3(a). A follow-up question to this; *What is encompassed in the \$350 "opening / closing a file" category?*

Answer 3(a). We look to NRS 116.3102(1)(O) which says the fee imposed must be reasonable, meaning:

- 1) Must be based on the actual cost the association incurs to open or close any file.
- 2) Must not exceed \$350.
- 3) Must not be charged to both the seller and the purchaser of a unit.
- 4) The fee may increase, on an annual basis, by a percentage equal to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year. The fee must not increase by more than 3 percent each year.

CHECK THIS OUT! More information regarding resale packages and caps, along with other helpful general information about the sale of a unit in a CIC, can be found in the Division's Presentation: [Sale of a Unit in a Common-Interest Community \(nv.gov\)](#)

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