

2024 CONTRACT CHANGES

Notable CREC Updates



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Every year the Contracts & Forms Changes Committee makes changes to the documents we use in a real estate transaction. They monitor relevant laws, compliance statistics, complaints submitted, discipline imposed, statutes passed and more to figure out how our documents can reduce risk and improve our transactions.

Looking at the full list of recent changes, this may seem daunting! Changes were made to four documents in August 2023 and will be made to fourteen documents effective January 1st, 2024, in addition to two new documents coming out at that same time. However, a lot of the changes are minor and can much more easily be summarized by functional change:

RADON

Section 10.3 was added to the Contract to Buy & Sell in August 2023 and related changes were made to the Sellers' Property Disclosure (in August 2023) and other documents (for January 2024). Legislation passed and the Colorado Department of Public Health & Environment encourage buyers to have a radon test and all parties to recognize radon gas can be harmful. Additionally, a brochure can be passed along to clients, although a link to the brochure is included in the paragraph so no additional documents are required on agents' part.

METRO DISTRICTS

Section 8.4 of the Contract to Buy & Sell now includes a fill-in field for relevant Metro District information related to a property. Agents can easily look up a list of all Metro Districts in Colorado through the Department of Local Affairs. link: <https://cdola.colorado.gov/>

SPD SUPPLEMENT

Several changes were made to the Sellers' Property Disclosures in January 2023, along with August 2023, especially as they related to radon. However, when duplicate fields were

removed from the land and commercial SPDs, the SPD Supplement was created to solicit information about improvements, buildings or ADUs on land and commercial properties. Some examples include farmhouses on land or upstairs residences above commercial properties.

MANUFACTURED HOMES

A considerable number of changes were made to the contracts used for manufactured homes. These contracts were a little out of date in the past, with many fields crossing over from other contracts but not really applying. These forms should be used for true manufactured properties, which still may have wheels and where title has not yet been purged. If title has been purged, the usual Contract to Buy & Sell (Residential) may be used.

EXCLUSIVE RIGHT-TO-SELL

Section 9.1.1 was revised to ensure sellers know brokers have an obligation to list properties on the MLS (even if only for comp purposes) and may need to share Agreements with the MLS.

Several other changes were made, including the usual changes to update Section numbers and wording across other documents that might need it (e.g., earnest money receipt). Finally, one other new document (in addition to the SPD Supplement) was created – the Energy Benchmarking Disclosure – to help measure energy consumption on buildings over 50,000 square feet.

Most agent won't use all of these forms. For instance, only a very small number will use the Energy Benchmarking Disclosure and an only slightly larger number will use the Manufactured Home contracts. However, the changes to the Contract to Buy & Sell and Sellers' Property Disclosure are very important! We encourage all agents to take a Contracts & Forms Changes class so they can remain educated and top of their industry. Visit First Integrity Title's [Class](#) calendar to register for a 2024 Contracts and Forms Changes class today!

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