

Property Survey Always Wise, Usually Required

It is important to distinguish between a survey and an appraisal. An appraisal assists the mortgage lender in assessing the value of the house to determine whether a mortgage should be made and in what amount.

Generally, the appraisal will analyze the condition of the house, its location, structural soundness and comparable sales in the area. A survey, on the other hand, goes to the question of the marketability of the house. The survey determines whether the house is within the property borders, whether there are any encroachments on the property by neighbors and the extent to which any easements on the property may affect legal title. Always insist on obtaining a clear “lender’s” title insurance policy covering the face value of the mortgage. Title companies will issue an exception to title unless a survey has been ordered, and thus surveys are usually required.

I believe that everyone buying a house should obtain a survey whether or not the lender requires it. It is a good idea to learn, for example, where your property lines are, and whether there are any building restrictions affecting your right to add a porch or a fence. It is also important to know whether any portion of your neighbor’s property — such as a fence — is actually on your property.