



COMMONWEALTH of VIRGINIA
Virginia Housing Commission
701 East Franklin Street, Suite 704, Richmond, Virginia 23219
804-967-3994

To: The Honorable Jeremy McPike, Chair, Senate General Laws and Technology
The Honorable Paul Krizek, Chair, House General Laws

RE: HB 1518, 2026

Chapter 871 of the 2026 Virginia Acts of Assembly directs the Virginia Housing Commission to conduct a comprehensive review of statutory language regarding required disclosures for a buyer to beware or exercise necessary due diligence. The language states:

That the Virginia Housing Commission (the Commission) shall conduct a comprehensive review of § 55.1-703 of the Code of Virginia. As part of such review, the Commission shall:

- 1. Establish and convene a stakeholder advisory group to assist the Commission in such review, to include the Real Estate Board, the Virginia Realtor's Association, the Real Property Section of the Virginia State Bar, and the Real Estate Section of the Virginia Bar Association;*
- 2. Examine the existing required disclosures for a buyer to beware, including the relevance of such disclosures and any recommended disclosures not currently included;*
- 3. Review the current methods for a buyer to receive a residential property disclosure statement, including: (i) the format of the statement, (ii) its location on the Real Estate Board website, (iii) the use of a one-page form with a website link, and (iv) any required signatures on the form;*
- 4. Evaluate and review the language used in § 55.1-703 and on the residential property disclosure statement for inefficiencies in drafting and ease of use and understanding by the consumer; and*
- 5. Develop recommendations based on the review and stakeholder input for any statutory or regulatory changes to improve efficiency, transparency, and the consumer experience while maintaining legal protections for all parties. § 2. That the Virginia Housing Commission shall submit a written report of its findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on General Laws and Technology no later than October 1, 2026*

In accordance with this item, please find enclosed the report for House Bill 1518. Staff are available should you wish to discuss this request.

Cc: The Honorable Briana Sewell, Chair, Virginia Housing Commission
The Honorable Kelly Convirs-Fowler
The Honorable Vivian Watts



Study of § 55.1-703 of the Code of Virginia: Required Disclosures for a Buyer to Beware

(HB 1518, 2026)

October 1, 2026

§ 30-257. Virginia Housing Commission; purpose.

The Commission is established in the legislative branch of state government. The purpose of the Commission is to study and provide recommendations to ensure and foster the availability of safe, sound affordable housing for every Virginian. The Commission may also study and make recommendations relating to such other housing, real property, and community development issues as it may be called upon to consider or as may be desirable.

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Executive Summary

Pursuant to HB 1518, Virginia Housing Commission (VHC) staff and the Stakeholder Advisory Group completed an evaluation of § 55.1-703 and the Virginia Department of Professional and Occupational Regulation (DPOR) Residential Property Disclosure Statement Required Notice for a Buyer to Exercise Necessary Due Diligence document and Acknowledgement Form to fulfill the legislative directives in HB 1518.

Recommendations include updating the Residential Property Disclosure Statement by transitioning the statutory paragraphs into an itemized chart, consolidating the separate notice and acknowledgment forms into a single document signed prior to contract ratification, incorporating clear explanatory language on Virginia's buyer-beware framework, correcting outdated statutory cross-references, and adding additional disclaimers advising a buyer to exercise due diligence. Additional recommendations include formatting changes and language simplification.

Amending § 55.1-703 is necessary to align Virginia Code with the proposed changes to the DPOR Residential Property Disclosure Statement and ensure ongoing adaptability. Draft legislation reflecting these recommendations will be made publicly available and presented to the Full Commission on November 9, 2026.

A copy of the proposed DPOR Residential Property Disclosure Statement with the changes studied and recommended by both staff and stakeholders is attached to the bottom of this report.

Background

Virginia maintains the doctrine of caveat emptor, “let the buyer beware,” in residential real estate transactions. The doctrine establishes that a property owner has no general duty to volunteer information regarding physical defects and other characteristics to a prospective purchaser. The burden of discovery rests on the buyer, meaning the buyer must exercise necessary due diligence before finalizing a transaction. A seller is not legally liable for failing to mention certain things to the buyer.

This doctrine in Virginia is codified in the Virginia Residential Property Disclosure Act. The Act requires sellers to provide a standard disclosure statement and disclaims representations across 20 categories. The statement advises buyers to perform independent due diligence. The Virginia legislature has also enacted specific statutory exemptions requiring affirmative written disclosures from the seller for defined property issues.

Comparing Virginia to Other States

Virginia is one of six states that are commonly considered to operate under the common-law doctrine of caveat emptor: Alabama, Arkansas, Georgia, North Dakota, Virginia, Wyoming.

Of the states that use a caveat emptor approach, Virginia appears to be unique in its list-based disclaimer approach. In these other states, the buyer beware rule is typically applied broadly. Sellers do not have to disclose property defects and there is no form explicitly warning buyers about potential property concerns prior to settlement.

HB 1518 Review of Requirements & Conclusions

Stakeholder Advisory Group

Establish and convene a stakeholder advisory group to assist the Commission in such review, to include the Real Estate Board, the Virginia Realtor's Association, the Real Property Section of the Virginia State Bar, and the Real Estate Section of the Virginia Bar Association

Membership

Delegate Marcus Simon

Virginia House of Delegates, Virginia Housing Commission Member, Real Estate Section of the Virginia State Bar

Anika Coleman

DPOR, Executive Director of the Real Estate Appraiser Board, Fair Housing Board, Common Interest Community & Cemetery Board

Kemper Funkhouser

Chair of the Real Estate Board

Erin Kormann

Virginia REALTORS®, Real Property Section of the Virginia State Bar

Lucia Anna Trigiani

*Mercer Trigiani, Real Estate Section of the Virginia State Association;
Real Property Section of Virginia State Bar;*

Jesseca Hoff

Executive Director of the Virginia Housing Commission

Existing Required Disclosures for a Buyer to Beware

The Residential Property Disclosure Statement Required Notice for Buyer to Exercise Necessary Due Diligence contains a list of disclaimers, expressly stating that the owner “makes no representations or warranties” across different physical, environmental, and legal categories. The buyer must conduct their own independent due diligence to obtain information relevant to these disclaimers.

Pursuant to HB 1518, VHC staff evaluated the relevance of each disclosure and whether additional disclosures are necessary. To address a potential gap regarding property boundaries and physical access, staff recommends a statutory change to § 55.1-703(B)(2) to explicitly include easements alongside current lot lines. While broad "conservation or other easements" are referenced in (§ 55.1-703(B)(11), properties frequently contain access, utility, and encroachment easements directly tied to physical lot lines. This alteration to the existing Virginia Code would ensure buyers are expressly cautioned that easements may restrict the buildable area of a property regardless of apparent property lines.

The proposed changes also include a recommendation that § 55.1-703 of the Code of Virginia and the corresponding DPOR Residential Property Disclosure Statement be updated to include a specific notice advising prospective buyers to exercise due diligence regarding proximity to data centers and associated

operational impacts. Adding this provision ensures the disclosure framework reflects evolving land-use conditions.

The remaining provisions are appropriate to safeguard consumer interests while preserving legal protections for all parties to real property transactions across the Commonwealth. Upon thorough review of the statutory framework and comparative state analysis, there is currently no need for further statutory modifications or additions to the required disclosures set forth in § 55.1-703.

A primary consideration in evaluating § 55.1-703 is the extent to which the General Assembly has altered the list of disclosures in recent legislative sessions. Over the past decade, Virginia’s statutory framework governing residential real estate transactions has been incrementally updated to reflect physical, environmental, and regulatory risks in the real estate market.

Current Methods for a Buyer to Receive a Residential Property Disclosure Statement

As directed by HB 1518, VHC staff evaluated: (i) *the format of the statement*, (ii) *its location on the Real Estate Board website*, (iii) *the use of a one-page form with a website link*, and (iv) *any required signatures on the form*.

Format of the Statement

VHC staff recommend restructuring the current format of the statement. Rather than paragraphs detailing the statutory provisions of § 55.1-703, the proposed format transitions the disclosure into an itemized chart with simplified language. In the proposed chart, the disclaimers are grouped into categories and reorganized to aid consumer understanding. Staff consulted DPOR to ensure compliance with accessibility standards for public distribution.

Figure 1: Proposed chart format change to the Residential Property Disclosure Statement – Required Notice For Buyer To Exercise Necessary Due Diligence

Topic	What the Seller is Not Representing	Buyer Due Diligence Advised
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Use of One-Page Form with a Website Link

In evaluating the operational efficacy of the Residential Property Disclosure Statement pursuant to HB 1518, staff reviewed stakeholder advisory group feedback, legislative testimony from the General Assembly session, and anecdotal evidence from Virginia consumers and real estate practitioners. It was determined that the current bifurcated distribution method of the disclosure materials on the Real Estate Board website makes consumers less likely to access the form detailing the disclaimers in § 55.1-703.

Currently, there are two distinct documents that make up the Residential Property Disclosure Statement for property disclosure compliance:

1. *The Required Notice for Buyer to Exercise Necessary Due Diligence* (detailing the statutory disclaimer categories); and
2. *The Seller and Purchaser Acknowledgement Form* (signed by the contracting parties and directs parties to the Notice document via website link).

The two-document model may undermine the intent of § 55.1-703 to inform Virginia consumers prior to contract ratification. These documents should be consolidated into a single document.

Language in § 55.1-703 and the Residential Property disclosure Statement

Updates to the Required Notice for Buyer to Exercise Necessary Due Diligence

Explanatory Language for Consumer Understanding

To enhance consumer understanding on Virginia's real property disclosure laws, VHC staff recommends incorporating explanatory language preceding the list of statutory disclaimers on the Residential Property Disclosure Statement. The proposed language contextualizes the legal policy adopted by the General Assembly and reflects feedback from the stakeholder advisory group. This addition ensures buyers understand that the statute does not permit seller fraud but rather establishes a framework requiring independent buyer due diligence.

Corrections and Formatting Changes to Additional Written Disclosure Requirements Page

This section of the form details additional written disclosure requirements that sellers and buyers may need to complete prior to contract ratification. It contains the statutory exemptions to caveat emptor outlined in the Code of Virginia.

The stakeholder group noted that the heading "Additional Written Disclosure Requirements" may mislead consumers, as the disclaimers in the preceding section are informational disclaimers rather than mandatory seller disclosures. Staff recommends changing this heading to "Mandatory Disclosure Requirements" to clearly distinguish mandatory seller disclosures from disclaimers. Additionally, the recommendations include improving consistency on this page by adopting a standardized list where each item follows a consistent title and language format.

The following is not an affirmative disclosure as outlined in the Code, but is included in the list of affirmative disclosures on the Residential Property Disclosure Statement form:

SECTION 55.1-703 contains a disclosure requirement for properties located in proximity to any military ground installation.

Language regarding military ground installations is in § 55.1-703 list of disclosures and should not be included in the affirmative written disclosures section of the form.

Additionally, the language is outdated after the creation of the Real Estate Disclosure Act, which now contains the relevant information after legislation consolidated the resale disclosure requirements in one place.

Current Language:

See also the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), and the Virginia Property Owners' Association Act (§ 55.1-1800 et seq.).

Recommendation:

Update to reflect the existence of the *Resale Disclosure Act* (§ [55.1-2307](#) et seq.)

Updates to the Seller and Purchaser Acknowledgement Form

The current standalone form requires sellers to provide notification by directing buyers to an external URL on the DPOR website to view the actual disclaimers. In the updated document recommended by

staff, this external hyperlink and website reference block have been removed because the disclaimers are now consolidated directly into the same document preceding the signature page.

The signature acknowledgements have also been simplified to state that the owner and purchaser have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act, removing conditional legal phrasing regarding real estate licensee representation.

Updates to § 55.1-703

Amending § 55.1-703 is necessary to align Virginia Code with the proposed changes to the DPOR Residential Property Disclosure Statement and ensure ongoing adaptability. Draft legislation reflecting these recommendations will be made publicly available and presented to the Full Commission on November 9, 2026.

Summary of Recommendations

As directed, staff and the Workgroup developed recommendations to improve efficiency, transparency, and the consumer experience while maintaining legal protections for all parties.

1. Code Language consolidation, additions, and general edits to improve consumer awareness and reflect proposed changes to the DPOR Required Notice for Buyer to Exercise Necessary Due Diligence form, including:
 - A change to § 55.1-703(B)(2) to explicitly include easements alongside current lot lines;
 - Inclusion of data centers in § 55.1-703(B); and
2. A transition of the DPOR Residential Property Disclosure Statement Required Notice list into an itemized chart;
3. Consolidation of the current two-document model (the DPOR Required Notice for Buyer to Exercise Necessary Due Diligence Statement and Seller and Purchaser Acknowledgement Form) into a single document (the DPOR Residential Property Disclosure Statement), resolving issues where the split structure undermines the intent of § 55.1-703 to inform Virginia consumers prior to contract ratification;
4. Updates to the Acknowledgement Form for consumer clarity and uniformity;
5. Clearer explanatory language preceding the list of statutory disclaimers on the DPOR Required Notice for Buyer to Exercise Necessary Due Diligence; and
6. Additional language clean-up changes on the DPOR Residential Property Disclosure Statement to mirror recent General Assembly updates, including:
 - The removal of military air installation disclosures from the affirmative disclosure list, and
 - Updated wording to reflect the creation of the Real Estate Disclosure Act.

Residential Property Disclosure Statement and Acknowledgement Form with Recommended Edits

A full version of the proposed changes is contained on the remaining pages of this report.



Virginia Real Estate Board
http://www.dpor.virginia.gov/Consumers/Disclosure_Forms/

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

REQUIRED NOTICE FOR BUYER TO EXERCISE NECESSARY DUE DILIGENCE

Why You Are Receiving This Notice:

This notice is intended to help identify some of the most common subjects that buyers may wish to investigate before purchasing residential real estate. **Buying a home in Virginia may be different than it is in many other states.** Virginia follows the doctrine of *caveat emptor*, commonly known as “buyer beware.”

Although sellers are not required to disclose many property conditions, a seller is not free to commit fraud or intentionally conceal known defects and may not violate the terms of a purchase contract. Real estate licensees may not make false or misleading statements.

A seller cannot be expected to know everything about a property or accurately predict every question that may be important to a buyer. For that reason, Virginia law encourages buyers to investigate any matter that is important to them before they become obligated to purchase a home. Depending on the property and the buyer's concerns, that investigation may include inspections, surveys, engineering reports, local government and public records, or consulting with qualified professionals.

This reflects policy adopted by the General Assembly that **buyers should make purchasing decisions based on their own investigation of the property, not solely on what a seller remembers, believes, may disclose, or thinks may be important to a buyer.**

The Virginia Residential Property Disclosure Act (§ 55.1-700 et seq. of the *Code of Virginia*) governs the information owners must disclose to prospective purchasers of residential real property. Certain residential property transfers are excluded from the requirements (see § 55.1-702). Information below is found in § 55.1-703:

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT
Virginia Real Estate Board

Under Va. Code § 55.1-703, sellers make no representations, warranties, or guarantees about the physical condition, legal status, or environmental factors of the topics listed below. The chart below outlines each topic covered by the statute alongside recommended actions a buyer should take to assess a property in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event prior to settlement.

Physical Condition		
Topic	What the Seller is Not Representing	Buyer Due Diligence Advised
Condition	The condition of the property or any improvements.	Obtain a home inspection, a mold assessment conducted in accordance with the guidelines provided by the U.S. Environmental Protection Agency, and a residential building energy analysis, as defined in § 54.1-1144 .
Wastewater Systems	The presence, size, type, or associated costs and maintenance requirements of any wastewater system on the property.	Inspect property for the presence and details of a wastewater system, including septic tanks. Obtain a septic inspection.
Lead Pipes and Plumbing	Whether the pipe or plumbing fixtures, fittings, solders, or flux are “lead free” under the federal Safe Drinking Water Act 42 U.S.C. § 300g-6.	Hire a professional, such as a licensed plumber or home inspector to test drinking water and inspect plumbing materials for lead.
Defective Drywall	Whether the property contains defective drywall as defined in § 36-156.1 that releases corrosive sulfur gases.	Hire a professional to check for signs of defective drywall or sulfur corrosion.
Title, Boundaries, Use Restrictions, and Development Rights		
Topic	What the Seller is Not Representing	Buyer Due Diligence Advised
Condition	The existence of covenants and restrictions, or conveyance of mineral rights.	Obtain a title examination.
Property Lines, Easements, and Expansion	Where property lines are located or the ability to expand, improve, or add any structures on the property.	Obtain a property survey. Check zoning, setback, and height requirements with the locality.
Historic Districts	Whether local historic district rules pursuant to § 15.2-2306 apply to the property or restrict design changes.	Check local historic district maps and review local ordinances and available materials from the locality that describe any restrictions on the property and the necessity for governing body approval.
Resource Protection Areas (RPAs) in the Chesapeake Bay Preservation Act	Whether the property falls within protected environmental areas under the Chesapeake Bay Preservation Act.	Review locality maps depicting RPAs to determine if the property is subject to restrictions. Additional approval/permits may be needed for construction or land disturbing projects in RPAs.
Solar Energy Collection Devices	The permissibility of installing or using solar energy collection devices on the property.	Review local zoning rules.
Conservation or other Easements	Whether conservation or other easements or other land restrictions limit how the property can be used.	Search land records and conduct a title review to check for recorded easements and usage limitations.

Environmental, Flood, Soil, and Infrastructure Risks

Topic	What the Seller is Not Representing	Buyer Due Diligence Advised
Dam Break Inundation Zones	Whether the property lies in a flood path if a nearby dam breaks.	Review local government and state dam break inundation modeling and mapping to check for potential flood risks.
Special Flood Hazard Areas	Whether the property is in one or more special flood hazard area.	Obtain a flood certification or mortgage lender determination of whether the property is located in a special flood hazard areas, review any map depicting special flood hazard areas, contact the Federal Emergency Management Agency (FEMA), visit the website for FEMA's National Flood Insurance Program, visit the Virginia Flood Risk Information website operated by the Department of Conservation and Recreation, and determine whether flood insurance is required. Additional information on flood risk and flood insurance is available for download by the Real Estate Board on its website.
Deposits of Marine Clays (marumsco soils)	Whether the property is located on or near unstable marine clay soils that may shift.	Consult public resources, such as soil maps of local soil conditions and have the soil and structural conditions of the property analyzed by a qualified professional.
Radon Gas Zones	Whether radon levels on the property fall within EPA elevated risk zones.	Review the EPA's Map of Radon Zones, visit the EPA's radon information website, visit the Virginia Department of Health's Indoor Radon Program website, visit the National Radon Proficiency Program's website, visit the National Radon Safety Board's website that lists the Board's certified contractors, order a radon inspection.
Regulatory Status of Impounding Structures	The safety, condition, compliance, or repair obligations of any impounding structure or dam, including those under the ownership of a HOA/COA.	Contact a licensed professional engineer or the Department of Conservation and Recreation to assess dam safety and maintenance obligations such as condition, regulatory status, and cost of maintenance and operation to the impounding structure or dam.

Neighborhood and Surrounding-Area Information

Topic	What the Seller is Not Representing	Buyer Due Diligence Advised
Adjacent Parcels	How neighboring properties are zoned or permitted uses allowed on those neighboring properties.	Research neighboring land use with the local planning department and check surrounding zoning maps.
Sexual Offenders	Whether sex offenders required to register under Chapter 23 (§ 19.2-387 et seq.) of Title 19.2 live in or near the neighborhood.	Search the Virginia State Police Sex Offender Registry online to review local offender data.
Airport and Flight Path Noise	The property's proximity to a public use airport nor any noise from aircraft due to the proximity of the property to flight operations.	The Federal Aviation Administration is responsible for managing the national airspace system, including aircraft flight paths. Contacting (i) the locality or public use airport and review any available maps depicting public use airport aircraft noise zones or (ii) the Department of Aviation or visiting the Department of Aviation's website, where any such maps, if made available by localities or public use airports, shall be accessible to the public.
Military Ground Installations	Whether the property is near any military ground installation and may be impacted by related noise or other effects of military operations.	Determine whether the property may be adversely impacted by proximity to a military ground installation.
Data Centers	Whether the property is near any data center or data center campus, including whether the property may be impacted by any existing or proposed data center operations	Determine whether the property may be adversely impacted by proximity to any existing or proposed data center operations.

Taxes, Assessments, and Special Governmental Districts

Topic	What the Seller is Not Representing	Buyer Due Diligence Advised
Community Development Authorities (CDA)	Whether the property is subject to a CDA or subject to special CDA taxes and assessments pursuant to Article 6 (§ 15.2-5152 et seq.) of Chapter 51 of Title 15.2.	Search local land and court records to confirm if special CDA taxes or assessments apply.
Special Assessments for Land Use	Whether the property is subject to special assessment and taxation that could trigger roll-back taxes if a change in land-use or zoning occurs.	Contact the local Commissioner of the Revenue or appointed assessor to confirm tax classification and potential liabilities for additional taxes if a change occurs.

MANDATORY DISCLOSURE REQUIREMENTS

SELLERS AND BUYERS MAY NEED TO COMPLETE ONE OR
MORE OF THE FOLLOWING WRITTEN DISCLOSURES

NOTE: This information is provided as a resource and does not constitute legal advice. The applicable Virginia Code sections should be consulted before taking any action based on this information, which is intended solely to provide an abridged overview of disclosure requirements and may not be applicable to all transactions.

The entire *Code of Virginia* is accessible online and searchable at <http://law.lis.virginia.gov/vacode>. You should retain the services of an attorney if you need legal advice or representation.

First Sale of a Dwelling: disclosure requirements for transfers involving the first sale of a dwelling contained in § 55.1-702.B

New Construction in Planning District 15: disclosure requirements contained in § 55.1-702.B

Military Air Installation: disclosure requirement contained in § 55.1-704

Pending Building Code or Zoning Ordinance Violations: disclosure requirement contained in § 55.1-706

Lis Pendens Filed: disclosure requirement contained in § 55.1-706.1

Properties Previously Used to Manufacture Methamphetamine: disclosure requirement contained in § 55.1-708

Privately Owned Stormwater Management Facilities: disclosure requirement contained in § 55.1-708.1

Repetitive Risk Loss Structure: disclosure requirement contained in § 55.1-708.2

Septic System Operating Permits: disclosure requirement contained in § 32.1-164.1:1

Resale Disclosure Act: additional disclosures for Common Interest Communities contained in the Resale Disclosure Act contains (§ [55.1-2307](#) et seq.)

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

SELLER AND PURCHASER ACKNOWLEDGEMENT FORM

The Virginia Residential Property Disclosure Act (§ 55.1-700 et seq. of the *Code of Virginia*) requires the owner of certain residential real property whenever the property is to be sold or leased with an option to buy to provide notification to the purchaser of disclosures required by the Act and to advise the purchaser that the disclosures are listed on the Real Estate Board webpage.

Certain transfers of residential property are excluded from this requirement (see § 55.1-702).

PROPERTY ADDRESS/
LEGAL DESCRIPTION: _____

The owner(s) hereby provides notification as required under the Virginia Residential Property Disclosure Act (§ 55.1-700 et seq. of the *Code of Virginia*) and further acknowledges having been informed of the rights and obligations under the Act pursuant to § 55.1-712.

Owner

Owner

Date

Date

The purchaser(s) hereby acknowledges receipt of notification as required under the Virginia Residential Property Disclosure Act (§ 55.1-700 et seq. of the *Code of Virginia*) and further acknowledges having been informed of the rights and obligations under the Act pursuant to § 55.1-712.

Purchaser

Purchaser

Date

Date