

Two Latent Defect Stories, Two Very Different Outcomes

Two Defects, Two Choices: Mediation vs. Litigation

The Cost of Conflict: What Buyers and Sellers Can Learn

◆ Case 1: "The Roof That Was "Fine"

The inspection report had noted that the roof was "nearing the end of its useful life," but no active leaks were present. The buyers moved forward. Then came the first big rainstorm. Within hours, water had leaked into an upstairs bedroom. The buyers were furious and blamed the seller for hiding the defect. The seller, in turn, claimed they'd never experienced any leaks. Tensions rose quickly.

Instead of litigation, both parties were referred to a mediator through their notaries. A roofer confirmed the damage was new, but the roof was indeed at the end of its life. There was no proof the seller knew or concealed anything. Eventually, both sides agreed to split the cost of a new roof. The seller paid 40%, the buyer covered the rest. It wasn't perfect, but it felt fair—and avoided a bitter legal fight.

◆ Case 2: "The Seller Who Lawyered Up"

After discovering mold behind the walls of a basement bathroom, the buyers assumed the worst. They were convinced the seller must have known and hired a lawyer who sent a formal demand letter. The seller, blindsided and feeling attacked, immediately retained counsel. Over the next 2 and a half years, the case bounced between lawyers, experts, and court delays. Tensions grew, and costs skyrocketed.

Eventually, the judge awarded the buyers \$8,000—less than the \$10,000 the seller had offered to settle in the early stages. Each side had spent over \$20,000 in legal fees.

They'd both lost more than they gained.

For more resources or to explore mediation as an option, visit:

www.montreal-mediation.com