

Is it worth it to purchase an ALTA Survey if you are buying commercial property? Yes. And, I have put together just a few of the many reasons why.

First, an ALTA survey is a survey that meets standards established by the American Land Title Association (ALTA). These standards are detailed at the ALTA website.

(<http://www.alta.org/forms/download.cfm?formID=338&type=word>) In short, the survey covers things that a simple boundary survey may not include, such as: all easements, utilities, rights of way and access points, encroaching driveways and alleys, lines of possession, buildings, fences, water features, etc.

1. An ALTA Survey will allow you to get survey coverage with your title insurance. Having an ALTA Survey allows your title insurance company to remove the survey exception to your title insurance policy and allows you to also obtain a survey endorsement. This means that the exception in your title insurance is eliminated and when the neighbor's fence turns out to be on your property or if the neighbor sues you claiming they own your land, you can make a title insurance claim. (By the way, this assumes you have obtained an owners title insurance policy which you of course would do when purchasing commercial or any property for that matter.)
2. An ALTA Survey will provide you with utility easement information. It should include all observed utilities, together with evidence from plans and markings from utility companies. This means that you not only get the location of recorded easements, but also the obvious overhead electric lines as well as the underground utilities such as storm sewer, phone, electric, cable etc. This can be important if you intend to do new construction or expand an existing structure. In addition, sometimes utilities service more than just your property. It will help you locate where the actual utilities are located, which may not be within described easements. Utility companies can gain prescriptive rights in the property. Without an ALTA Survey you may get an unpleasant surprise if you had no idea that the underground utility existed at the time of purchase.
3. An ALTA Survey shows building locations. It can be expanded to show building setbacks, height and floor space restrictions, as required by local zoning controls. This way you do not find out after closing that your building is actually sitting two feet over the property line or that you have no room for that expansion you planned because the existing structures are already considered a non-conforming use.
4. An ALTA survey shows you the location of site improvements such as parking lots, driveways, and signage. Your drive-through lane and your sign might not be on your property. You would rather know that before you buy the property!

Be sure to review the "Optional Survey Responsibilities and Specifications" to ensure that your survey includes those items essential to your transaction. Some of the items I reference above are only obtained as "optional" items.

If you are a surveyor, title agent, attorney or commercial realtor please share your experience and examples of problems that were identified by ALTA Surveys.