

Residential **VERSUS** Non-Residential Property

Procedural Rule, P-1. Definitions:

(u) Residential Real Property -

- 1 Any real property which has improvements thereon designed principally for the occupancy of from one to four families (including individual units of condominiums and cooperatives) and either (a) situated in a platted subdivision of record, or (b) consisting of 5 acres or less, **or**
- 2 Any real property which has improvements thereon designed principally for the occupancy of from one to four families and consisting of more than five acres but not more than 200 acres used for agricultural production by individual insureds (according to the information known by the Company at the time of issuance of the policy of title insurance).

How to determine if a property is Residential Real Property

Responses to the following two questions will apply to the majority of your transactions.

- ❖ Is the property improved for 1-4 family occupancy and is a lot in a platted subdivision?
If so, then the property is **Residential**
- ❖ Is the property unimproved property with no construction contract?
If so, then the property is **Non-Residential**

INSTRUCTIONS: If the facts of your transaction do not fit one of the examples above, then apply the facts of your real estate transaction to the following questions:

1. Are there existing improvements for 1-4 family occupancy?

a. ☐ Yes, go to question **3**

b. ☐ No, go to question **2**

2. Is there a contract for construction of a 1-4 family dwelling?

a. ☐ Yes, go to question **3**

b. ☐ No, property is Non-Residential

3. Is the property in a platted subdivision?

a. ☐ Yes, property is Residential

b. ☐ No, go to question **4**

4. Does the property contain 5 acres or less?

a. ☐ Yes, property is Residential

b. ☐ No, go to question **5.**

5. Does the property contain more than 5 acres, but less than 200 acres?

a. ☐ Yes, go to question **6**

b. ☐ No, property is Non-Residential

6. Is the property used for agricultural production***?

a. ☐ Yes, go to question **7**

b. ☐ No, property is Non-Residential

7. Is the property owned by individuals?

a. ☐ Yes, property is Residential

b. ☐ No, property is Non-Residential

***If there is no agricultural exemption shown on the tax certificate, please contact the Texas National Investors Underwriting Department for assistance.