



Your Best & Safest Choice

Home permit history comes back to haunt

Problems may arise from past projects

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Home inspectors often recommend that the buyer obtain a permit history on a home they want to buy. However, most buyers don't heed this advice, which can lead to problems later.

One homeowner who didn't check the permit history before she bought found out after closing that a remodeling permit issued in the seller's name had never received final city approval. She discovered this when her contractor applied for a permit to do some more remodeling. The city wouldn't issue a new permit until the outstanding permit received a final clearance.

When the city inspector checked the work, he refused to pass it because it hadn't been done properly. The homeowner had to make the corrections before the city would issue a permit for any further work on the property. This was an expense she hadn't anticipated, and it delayed her remodeling.

Another homeowner converted a detached cottage on his property to a bedroom and bathroom for his daughter. This work was done by licensed contractors, but without a building permit. When the homeowner listed his house for sale, a neighbor reported the illegal living unit to the city planning department.

The city issued a violation notice to the homeowner. When the buyers were told of this, they insisted that the homeowner bring the unit into compliance with city requirements. The unit was so close to the property line that it was impossible to make it legal. The only way to comply was to remove the structure.

Homeowners often do work without permits to save money. However, this can end up costing more in the long run. For example, one couple that had outgrown their home hired a contractor to do a major addition that virtually doubled the size of the house. To save on the permit application fees, the homeowners asked the contractor to skip the permit process.

Later, when the home was sold, the appraiser for the buyer's lender refused to give full value to the addition because the work was done without permits. To save the sale transaction, the sellers had to apply for permits after the fact, which meant paying penalties in addition to the permit application fees.

House hunting tip

You may have to visit the municipal building or planning department to search the permit record of a home you want to buy. But, even though this takes time, it should be included in your due diligence investigations of the property.

It's particularly important to check the permit history if you're buying a property that's advertised as having a rental unit that generates income. If you find out later that the rental unit wasn't done with permits and in compliance with building code requirements, you might lose an income stream that you were depending on.

If you're buying a home that has been remodeled over time, there's a good chance that some of the work was done without permits. It's a good idea to ask sellers if all work was done with permits. In some states, like California, sellers are required to disclose any work that was done without permits.

However, in some cases, the sellers may not be aware that work was done without permits. Sometimes contractors don't take out permits to save time. So, it's important to check this.

Before you buy a home where work has been done without permits, make sure you understand what the future consequences might be. If you search the permit record during your inspection contingency time period, there's an opportunity to negotiate a satisfactory resolution to permit issues before you close.

The closing

Otherwise, you may be stuck with fixing a problem at your own expense.

Dian Hymer is author of "House Hunting: The Take-Along Workbook for Home Buyers," and "Starting Out: The Complete Home Buyer's Guide," Chronicle Books.

If you have any questions about anything, simply [contact me](#).