

# Checking Permits & Certificates

Imagine this unfortunate scenario: You've been living in your home for many years when you find out that an addition or remodeling project was completed without the necessary permits.

Depending upon where you live and the age and type of your home, you could be held liable for that mistake — and be required to pay for retrofitting the work, — in addition to any fines or fees.

Too often, buyers of homes fail to ask to see building permits and certificates of inspection. It's a costly lesson, but there are warning signs.

## REMODELS & ADDITIONS

In an older home, significant remodeling projects such as an updated kitchen are obvious. Similarly, additions in odd configurations or built in an odd spot on the property can also be a red flag.

While not all of these situations will result in expensive surprises, asking to see permits, inspection reports and certificates of occupancy can



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## REAL ESTATE 101

### Investing in Real Estate

Real estate investing can be lucrative, if not flashy. It can help diversify your existing investment portfolio and be an additional income stream. Many of the best real estate investments don't require showing up at a tenant's every beck and call. NerdWallet has more advice at [bit.ly/2XopXNI](https://bit.ly/2XopXNI).

relieve any hesitation and spare you the headaches that come with correcting them, sometimes years later.

Researching and obtaining these documents yourself can be time consuming. A good real estate agent can and should investigate work done to a home.

Experienced and knowledgeable agents will be able to spot oddities and compare

real estate tax bills with similar homes in the area.

For instance, if many of the homes in the area are of similar type and square footage but the one you choose is much larger, with additions that greatly increase occupancy, permits and inspections will justify a larger tax bill.

If those rates don't match and valuations seem low, it's another clue that no permit

was obtained.

### KNOWING THE RULES

One way for homeowners, sellers and buyers to protect themselves is to know the rules on what home improvement projects require permits.

Most large projects that involve major changes to the structure of your home require a permit, according to the financial website

Investopedia. Because each municipality has different rules, it's important to check your city's website or call for clarification, experts agree. Regardless of who does the work, it is the homeowner's responsibility to ensure that the project holds the proper permits.

Here are some examples of projects that will likely require a permit:

**Fences:** Not all fences require a permit, but municipalities often place height restrictions on non-permitted fences.

**New windows:** Replacing an existing window doesn't require a permit, but cutting a hole for a new window generally does.

**Plumbing and electrical:** If you're installing new or removing existing plumbing, a permit is probably required.

**Siding:** Most municipalities require a permit for siding projects.

**Water heater:** You need a permit if you want to replace your water heater. You may also need a permit for ventilation system changes.

**Total cost:** Some municipalities require a permit if renovations or construction projects cost more than a certain amount — usually \$5,000 or more.

**Bottom line:** Check the website of your local municipality to ensure compliance.





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#### HOMEWISE GLOSSARY

**Amortization:** The repayment of a loan over time. With each payment, there is a reduction of both principal (the original amount borrowed), plus the interest. SOURCE: MLS.com

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