

# Ask An Agent: What Is A Certificate Of Occupancy And What Do I Do To Get One?

Lucy Maher | July 2, 2021



If you're a potential buyer of real estate on the North Fork, you're likely focused on price per square foot, a property's distance to the water, any upgrades needed before moving in, and in some cases, the strength of local school districts. What you may be overlooking? Whether the sellers of a property you're interested in have the right certificates of occupancy in place.

"Certificates of occupancy are issued by the town to certify the legal use of a structure and ensure that the structure complies with all housing and building codes," says Kristy Naddell, licensed associate real estate broker, Douglas Elliman. "Aside from getting a C of O for a house, other items also require them. These include, but are not limited to, finished basements, pools, decks, generators, central A/C units and even new windows."

Other areas that might require a certificate of occupancy include pools, decks, detached garages, and some major renovations, says Thomas McCloskey, licensed associate real estate broker, Douglas Elliman.

In a heated market when some properties go into contract in a matter of days, buyers may find ticking the certificate of occupancy boxes attached to a property overwhelming. Typically, says Nicholas Planamento, associate real estate broker, Town & Country Real Estate, your attorney will review and confirm a property's certificates of occupancy. He also urges his clients to do some of the legwork themselves to be sure they don't encounter any late-stage issues.

"It's always a good idea to take responsibility yourself," he says. "Get the complete file from the Township where the purchase occurs and fully review it and reconcile the C of O's against what is visually at the subject property. A perfect example of this is the number of bedrooms; the C of O will clearly reference the building permit which will illustrate the number, but oftentimes this doesn't match with what is actually in the house. A possible blemish might be a renovation without a permit, for example, finishing a room over the garage and calling it a bedroom."

If a buyer encounters a property without the necessary C of Os attached, they have several options for moving forward with the sale.

One, says Planamento, is to walk away.

"However, in some instances a discount can be negotiated and with an attorney's advice a deal can move forward where the buyer, understanding the blemish, takes the property," he says. "This usually occurs when a buyer wants to do a major renovation."

In other cases, "if the seller refuses to obtain certain C of Os, the buyer must be made aware that the house is being sold 'as is,' says Naddell. "The issue for many buyers is that if they are obtaining financing, some banks will not lend on a property that is missing major C of Os. As a buyer, it will be important to hire an experienced buyer's agent who will be able to verify which C of Os are in place and which aren't. Not all listing agents do proper due diligence and a good buyer's agent will be able to negotiate properly when they understand what is legal and what is not."

Sounds dire, but most C of O issues on the North Fork can be addressed to the satisfaction of both the buyer and the seller.

"Buyers should not be alarmed when there are C of O issues, as most of the ones we come across of the North Fork are generally remedied very easily," says William (Bill) Joseph Walters, Real Estate Salesperson, Daniel Gale, "For sellers, try to address C of O issues attached to your property prior to listing, as it will make your property more attractive and the sale process much smoother."