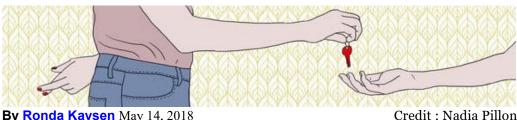
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ASK REAL ESTATE:Who Is to Blame for Illegal Renovations?



By Ronda Kaysen May 14, 2018

Q: After I purchased a Brooklyn condo, I began to suspect that renovations made by the previous owner were illegal. I am concerned that if I try to renovate and file permits with the Department of Buildings, the city will make me rip out the work the previous owner did. When I purchased the unit, the seller did not say anything about renovations. How do I legalize the work? And who should be held liable for what I consider a fraudulent sale? The seller? My lawyer?

A: In New York State, a seller is not required to disclose anything negative about the property. It is up to the buyer to find out this information through the due diligence process.

A seller cannot intentionally conceal problems, such as hiding signs of an ongoing leak by painting a wall before an open house. But if the seller does nothing to hide the defect, and the buyer fails to find it, then the leak is the buyer's problem once the property is sold. "The buyer has a duty to investigate their purchase," said Lorraine Nadel, a Manhattan real estate lawver.

Look over your contract of sale. Did the seller state that all renovations were legal and the board had been informed? If the seller said that work was done properly when it wasn't, then you may be able to sue for misrepresentation. However, if the contract does not disclose renovations, you do not have a claim.

During the attorney review process, your lawyer should have reviewed board minutes, checked with the managing agent, and reviewed the website of the city's Department of Buildings to see if the apartment had any open permits. If the previous owner did not file any permits and never informed management about the work, there would be nothing for the lawyer to find. In that scenario, "the current owner inherits the issue and not the one who actually did the work," said Pierre E. Debbas, a Manhattan real estate lawyer.

Could you sue your lawyer? "Potentially, but it would be difficult, as the lawyer can only rely on the information available," Mr. Debbas said.

For now, you need to know the scope of the problem. Hire an architect to find out if the work was done legally. The architect would then go to the Department of Buildings to check for any open permits. Bringing the work up to code may be a simple process, or it may mean restoring the apartment to its original condition.