

Illegal bedroom comes back to haunt home buyer Permit dilemma could cost thousands to rectify

By Barry Stone
Inman News



Dear Barry,

The home we just bought has a bedroom that used to be a garage. It was converted without a permit, and no one disclosed this during the transaction. We learned about it when the building department cited us, and now they expect us to restore the garage or build a new one. This means we overpaid for a two-bedroom home. The sellers and agents said nothing in their disclosure statements, so we assumed everything was OK, and the home inspector claims that he has no duty to check for permits. How can it be that no one was responsible for disclosing this issue? – Tony

Dear Tony,

Regardless of who may or may not be responsible, lack of disclosure never justifies the assumption that everything is OK, especially where construction permits and building alterations are concerned. In some cases, alterations such as garage conversions date back to previous owners; so your seller could have been genuinely unaware of the situation. Perhaps your new neighbors can shed some light on that question.

Most home buyers are unaware that disclosure statements from sellers and agents are generally incomplete – not necessarily because known problems are being concealed, but because sellers either don't know or don't remember the defects that warrant disclosure, and because agents are not sufficiently familiar with the histories and shortcomings of subject properties.

Although home inspectors and real estate agents are not required to conduct permit searches, prudent members of those professions typically recommend that buyers review the building department records, prior to completing a purchase. That recommendation could have averted your current predicament, but the agents and inspector appear not to have covered that base.

Experienced home inspectors can usually determine, by way of visible evidence, that a garage conversion has taken place. In such cases, disclosure of an apparent conversion would be cited in the inspection report, with recommendations for further evaluation and a verification of permits.

To determine potential liability for lack of disclosure, it is recommended that you: (1) ascertain when the garage conversion took place; (2) determine whether the conversion is visibly apparent; (3) learn whether the building department notified the previous owners for the non-permitted work. This should help to clarify who, if anyone, is responsible for your uninformed purchase.