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PART 1- THE IMPACT OF UNAPPROVED BUILDING PLANS ON THE SALE OF A PROPERTY

It is becoming more and more common for purchasers to request that approved building plans be delivered by the seller before registration of the property into their names. **In the next 4 MC2Agent's**, we are going to discuss a few scenarios that can arise with regards to building plans.

Scenario 1

The seller confirms there are approved building plans, as he has never made additions to the property. When the building plans are then viewed it comes to light that it is not up to date, and that a previous owner made additions to the property.

The result would be that the seller will be liable for the updating and approval of new plans, if it was contractually agreed upon. This will cause a delay in the registration of the transaction as municipal approval of building plans takes time. If it is not a bond condition as well, the seller and purchaser can agree that the conveyancer retains a portion of the seller's proceeds. This will then only be refundable to the seller on delivery of the plans, and in the interim registration of the transaction can proceed. An addendum to this effect must be signed by the parties.

It is therefore advisable that a seller scrutinizes the plans to ensure that it reflects all buildings and additions on the property before binding himself contractually to provide up to date approved building plans.