

Illegal structures and the solutions when buying or selling

A concern for the agent, vendors and purchasers

What are illegal structures?

Illegal structures are anything erected on your property that is not approved by the local council and often it is done by “backyard builders”

What are the common illegal structures?

Answer: Patios, garage, carports, decks, granny flats, pergolas, extra toilets downstairs or outside the building, spas and swimming pool

Why should buyers be concerned about illegal structures?

If the local council finds out and demand that it be demolished, then, the buyer will lose money. When that happens, they will look for ways to recoup their loss, and that is to sue anybody. The first person they can think of is the vendor and the vendor’s agent.

Does anybody care about illegal structures?

Not all people care about it. Some people buy a property for demolition anyway. Some people think that the illegal structure is a good idea as it provides extra space.

However, you should be concern with illegal structures

For the vendor: your concern is that the purchaser might sue you if they suffer a loss such as they get a demolition order from the council

For the purchaser: your concern is that you will suffer a loss if and when the local council ask you to demolish the illegal erection

For the salesmen/ agents: Some salesmen seem to think that is not his or her concern. Really? If the contract crash, there will be massive headaches, ranging from loss of commission to wasting your lifetime. As a professional salesperson, you do not want to be bogged down with problems. You know that your time is valuable as to money wise and also personal enjoyment.

However, there are solutions to the problems

For the vendor, let’s not be sly about it. The best policy is, to be honest. That is, disclose any known illegal structures clearly. You need to be very specific so that there is no misunderstanding. No one can sue you if you have already disclosed the problems.

For the buyers: It is extremely hard to tell if the erection is illegal or not. It is also tedious and to find out. The best solution is there is insurance for that. You can buy an insurance to

protect you from any issues that you may have with illegal structures. It is only a onetime fee and it covers the purchaser for as long as you still own the property.

The wise saying ring true

“Prevention is better than cure”

