

How Unpermitted Work Can Complicate Your Home Sale

When you own a house, it is easy to assume that any improvement you make is a net positive. New deck, finished basement, updated wiring - each project seems like an investment in your property's value. But there is a hidden risk that many homeowners discover only when they try to sell: unpermitted work. These are renovations or additions that were done without the required building permit from the municipal building department. What seemed like a smart upgrade can turn into a major obstacle at the closing table.

I have seen this happen more times than I can count. A family adds a beautiful sunroom, only to learn that no permit was ever pulled. A homeowner finishes the attic into a bedroom, but there is no record of the work with the city. Suddenly, what felt like an asset becomes a liability. And the worst time to discover that is when you already have a buyer ready to sign.

What Counts as Unpermitted Work?

Not every home improvement requires a permit. Painting, flooring, and minor cosmetic updates usually do not trigger a visit from code enforcement. But structural changes, electrical work, plumbing alterations, and additions almost always do. The exact rules vary by jurisdiction, but the general principle is the same: if the work affects the safety, structure, or systems of the home, you likely need a building permit.

[Unpermitted work](#) can include:



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- Adding or removing walls
- Installing new windows or doors in a load-bearing wall
- Rewiring or adding new circuits
- Moving plumbing fixtures
- Building decks, patios, or sheds over a certain size

Each of these projects requires a permit for a reason. The municipal building department needs to verify that the work meets local codes. A structural engineer might need to sign off on the plans. Without that oversight, you are left with a renovation that may or may not be safe - and that uncertainty becomes a problem when you try to sell.

How Unpermitted Work Affects Your Sale

When you list your home, every buyer will do their due diligence. That includes a home inspection, a title search, and often a review of permit history at the municipal building department. If the inspection reveals work that was done without permits, the buyer's lender may refuse to fund the loan. The property title can also get clouded if the work violates local zoning regulations or creates a lien on the property.

Real estate disclosure laws are another factor. In most states, sellers are required to disclose known defects, including unpermitted work. If you fail to disclose it, you could face legal trouble later. Even if you disclose it, many buyers will walk away or demand a steep discount. The appraisal may come in lower if the appraiser cannot count the unpermitted square footage. All of this adds stress and delays to what should be a straightforward transaction.

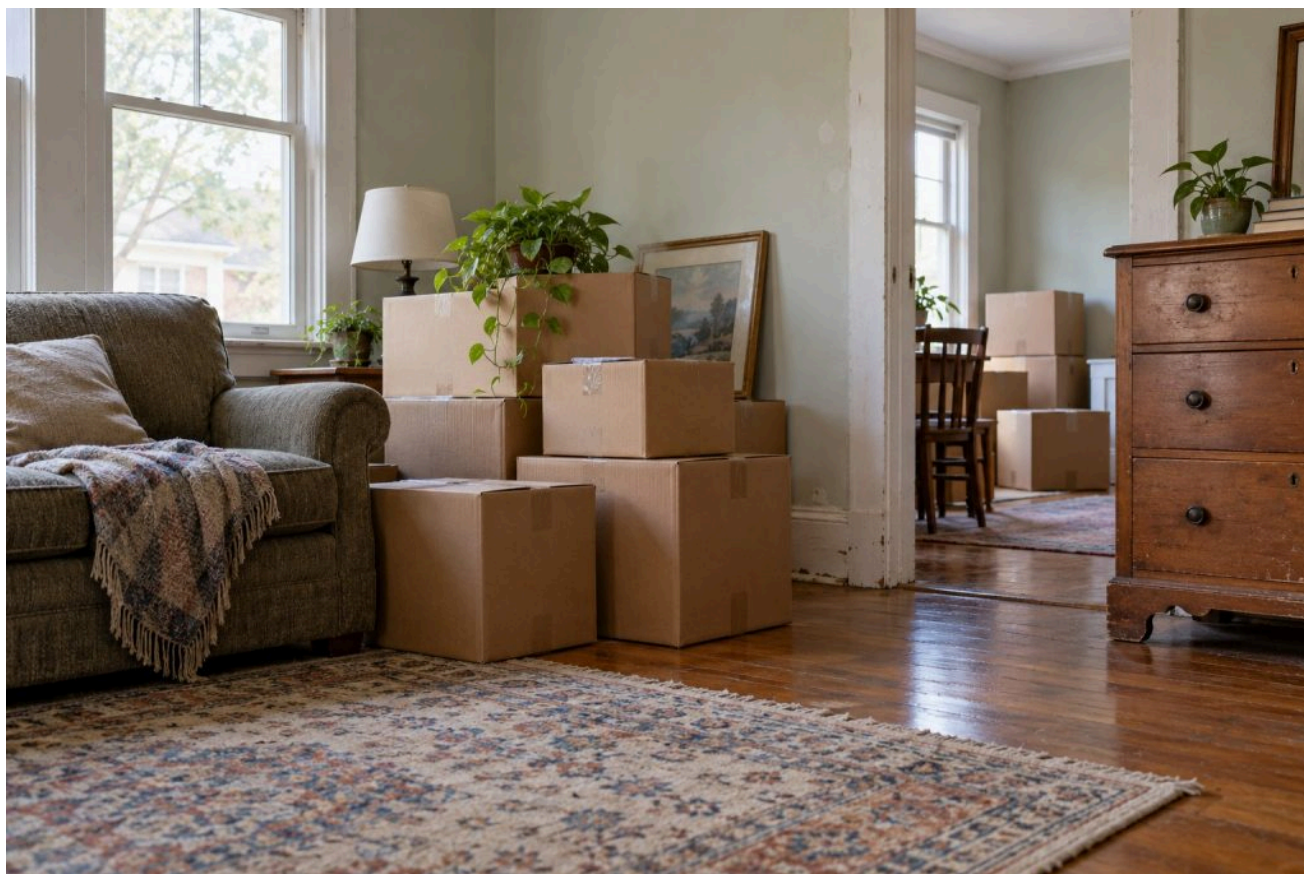
This is where the concept of an as-is sale becomes relevant. When you sell a house as-is, you are essentially saying, "I am selling this property in its current condition, with all its known and unknown issues." Many cash buyers specialize in purchasing homes as-is, and they are often willing to take on the risk of unpermitted work. They have the experience and resources to deal with the municipal building department, get the work permitted retroactively, or simply live with the risk. For a homeowner facing a tight timeline or financial hardship, an as-is sale to a cash buyer can be the simplest path forward.

The Financial and Legal Risks

Unpermitted work does not just threaten your sale - it can also cost you money. If a buyer discovers the issue during escrow, they may ask you to obtain retroactive permits, which can involve expensive fees and even require you to open up walls for inspection. You might also face fines from the municipal building department for performing work without a permit. In

some cases, code enforcement can force you to undo the work entirely, which is a devastating outcome.

There is also the question of insurance. If you file an insurance claim related to unpermitted work, the insurer may deny coverage. For example, if a fire starts in an unpermitted electrical system, your insurance company could argue that the work was not done to code and therefore the damage is not covered. That is a risk few homeowners consider when they decide to skip the permit process.



Even if you are not selling, unpermitted work can cause problems. A homeowners association may have its own rules about alterations. A zoning violation could lead to fines or legal action. And if you ever need to refinance, the lender's appraisal may flag the unpermitted work, making it harder to get a loan.

What to Do If You Discover Unpermitted Work

If you are preparing to sell and you realize that some work in your home was done without permits, you have a few options. One is to try to get the work permitted retroactively. This process varies by city, but it generally involves hiring a contractor with a valid contractor license to inspect the work, possibly bringing in a structural engineer to certify it, and then

applying for a permit after the fact. A permit expeditor can help navigate the bureaucracy, but it is not always cheap or fast.

Another option is to price the home to account for the risk. You can offer a home warranty or a credit to the buyer to cover the cost of dealing with the issue later. But many traditional buyers and their lenders will still balk at the uncertainty. That is why an as-is sale to a cash buyer often makes the most sense. The buyer takes the property with all its quirks, and you walk away without the headache of fixing the past.

How a Cash Buyer Can Help

A cash buyer is not concerned with the same things a traditional buyer is. They do not need a lender to approve the loan, so the appraisal and the permit history matter less. They can close quickly, often in a matter of weeks, and they handle the closing costs. For a homeowner who is dealing with an inherited property, a divorce, or a looming foreclosure, that speed and certainty can be a lifesaver.

I have worked with many families who inherited a house that had decades of unpermitted work. The previous owner did not keep records, and the municipal building department had no idea what was inside the walls. Trying to sell that house through a traditional real estate agent would have been a nightmare. Instead, they sold it as-is to a cash buyer, who took on the risk and the responsibility of dealing with the building department. The family got cash in hand and moved on with their lives.

Preventing the Problem

The best way to avoid the complications of unpermitted work is to pull permits in the first place. Yes, it takes time and money. Yes, the permit process can be frustrating. But the cost of a permit is almost always less than the cost of dealing with the consequences later. Keep records of every permit and inspection. If you hire a contractor, verify their contractor license and make sure they pull the permits as part of the job. If you do the work yourself, check with the municipal building department before you start.



If you are buying a home, always check the permit history. A home inspection can reveal signs of unpermitted work, but it is not foolproof. A good inspector will look for telltale signs: outlets that do not match the rest of the house, beams that look out of place, plumbing that does not line up. If you suspect unpermitted work, ask the seller for documentation. If they cannot provide it, factor the risk into your offer.

Final Thoughts

Unpermitted work is not necessarily a deal-breaker, but it is a complication that every homeowner should understand. Whether you are selling or buying, knowing what is behind the walls can save you from surprises later. If you are facing a difficult situation and need a clean exit, selling as-is to a cash buyer is often the most practical solution. It is not about hiding the problem - it is about accepting the reality of the situation and moving forward without unnecessary delay.