



Key Considerations for Due Diligence When Purchasing Property

If you are considering purchasing a residential or investment/commercial property, it's essential to conduct thorough due diligence to protect your investment and avoid potential issues down the road. At James G. Dibbini & Associates, P.C., we understand that purchasing property can be a significant financial commitment, and we are here to guide you every step of the way. Here are some key due diligence considerations when purchasing residential or investment property:

1. Title Review and Search

It is critical to ensure that the property has a clear and marketable title. This means checking for any liens, judgments, or unresolved legal issues related to the property. A comprehensive title search will reveal any encumbrances that could affect your ownership or future sale of the property.

2. Zoning and Building Code Compliance

When purchasing an investment/commercial property, it's important to verify that the property complies with current zoning regulations and building codes. This can include checking permitted uses, certificate of occupancy, and any potential violations that could result in fines or require costly repairs.

3. Visit the Local Building Department

It is equally important to visit the local building department to review the building's records. This includes:

- Checking for open violations related to the property,
- Verifying the certificate of occupancy to ensure the property's use complies with local regulations,
- Reviewing surveys and permits to verify boundaries and completed work,
- Investigating complaints from neighbors or other parties, and
- Ensuring there are no unresolved issues or pending inspections.

This step can help uncover potential legal and regulatory risks that might affect your decision to proceed with the purchase.

4. Property Condition and Inspections

A detailed property inspection should be performed to identify any structural, electrical, plumbing, or environmental issues. For investment properties, understanding the condition of common areas and systems is particularly important. Catching issues early allows you to negotiate repairs or adjustments to the purchase price.

5. Financial and Rental History

If you are purchasing an investment property, it's crucial to review its financial records, including rental income, operating expenses, and tax statements. Understanding the property's income potential and past performance will help

you assess its viability as an investment. Additionally, reviewing tenant leases and confirming rent rolls can provide insight into the stability of cash flow.

6. Property Taxes and Insurance

Understanding the property's current and potential future tax liability is essential, especially if recent reassessments or improvements might trigger higher taxes. You should also review the cost and coverage of insurance to ensure you are adequately protected.

7. Environmental Concerns

In some cases, properties may have environmental risks, such as lead paint, asbestos, or underground oil tanks. These issues can lead to costly remediation efforts. Conducting environmental assessments is an important part of the due diligence process to avoid liability.

The Importance of Selecting an Experienced Attorney

When it comes to purchasing residential or investment property, the role of an experienced real estate attorney cannot be overstated. An attorney who understands the complexities of property transactions and investment deals can:

- Ensure all due diligence is properly conducted,
- Review and negotiate contracts to protect your interests,
- Identify and resolve potential legal or financial risks, and
- Assist with the closing process to ensure all documentation is accurate and properly filed.

At James G. Dibbini & Associates, P.C., we have extensive experience assisting clients with residential and investment/commercial property transactions. Our team understands the complexities of real estate law and ensures that your purchase is sound from both a legal and financial standpoint.

Contact Us for Assistance

If you are considering purchasing property or need assistance with a current transaction, please reach out to our office at (914) 240-8270 or email us at jdibbini@dibbinilaw.com.

We look forward to assisting you with your next property purchase.

The attorneys at James G. Dibbini & Associates, P.C. collectively have over 50 years of experience providing legal services in the areas of:

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- [DHCR Representation](#)
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- [Commercial & Residential Real Estate Closings](#)
- [General Business Law](#)
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