

BUTTERMORE AND FOLTZ
ATTORNEYS AT LAW

Anatomy of a Real Estate Transaction in New Jersey

- **Contract of Sale** is prepared by a Realtor/Broker and signed by all parties
- **Attorney Review** - In NJ attorney review is concluded three (3) business days following the delivery of a completely executed Contract of Sale to all parties. You do not count the day the Contract is delivered, Saturdays, Sundays or holidays. An attorney may cancel the Contract at your request for any reason or no reason.
- **Inspections** - New Jersey contracts call for inspections for the following:
 - Structural defects
 - Environmental defects, including asbestos, radon, underground storage tanks and some forms of insulation and exterior coatings. A visual inspection of the subject and surrounding properties before you sign the contract can reveal an environmental problem.
- **Mortgage financing contingency** – A New Jersey residential buyer will generally be given six weeks to obtain a standard 30 year mortgage.
- **Residential Certificate of Occupancy** - A smoke detector/carbon monoxide certificate is required in all New Jersey municipalities along with a sump pump inspection. Some towns require more inspections, which are made for the Buyer's benefit.
- **Land use and zoning** – buyers rarely consider the potential impact of zoning. Some properties do not conform to the current land use ordinance. In some cases, these are “grandfathered.” This means that the use is “non-conforming” but can continue. To qualify as grandfathered, a use must have been legal when it began (before the ordinance was adopted) and have been continuous since the ordinance was adopted. A gap of six months or less in that use can void a grandfathered use.
- **Title Insurance** – required in most purchases, and generally considered to be a good investment. Rates are set by statute.
- **Property Survey** – while sometimes not required, a current survey by modern methods is worthwhile and required if the property will be redeveloped.
- **Closing** – At the closing you should be represented by an attorney who can knowledgeably review all final adjustments and explain all of the documents that you will be required to sign. Your home may be the most expensive thing you ever buy. While a Realtor or Title Agent may tell you, “you don't need an attorney,” do you really want to buy the most expensive thing you will ever own without an attorney's review?