**Unit 5**

**Lecture Outline**

**LEARNING OBJECTIVES**

When the student has completed this unit, they will be able to accomplish the following.

* Explain how agencies at various government levels regulate and oversee construction standards in order to protect and benefit the public, how these construction standards affect precontract building and real property transactions, how building science advances have affected the utility of real property and how, at times, the market will prefer character and historical significance over utility, and how the “modified” role of licensed home inspectors can be a practical means of ensuring and initiating the application of the new home warranty from the builder.
* Explain how the NYS constitutional provision for “home rule” affects subdivisions and developments and how to determine project absorption rates in specific markets.
* Explain the requirements for the development and subsequent offering of newly constructed or newly converted condominiums and/or cooperatives.

**KEY TERMS**

board of directors

board of managers

bylaws

common elements

conversions

covenants, conditions, and restrictions (CC&Rs)

curvilinear system

declaration

density zoning

Department of Environmental Conservation (DEC)

developer

disclosure statement

environmental impact studies

eviction plan

floor plan

gridiron pattern

hard costs

HVAC

impact fees

initial pricing

Interstate Land Sales Full Disclosure Act

noneviction plan

planned unit development (PUD)

planning boards

plat of subdivision

preliminary prospectus/ red herring

proprietary lease

public offering

reserves

roof plan

site plan

soft costs

sponsor

subdivider

subdivision

subsequent pricing

time-sharing

town house

wetland survey

zoning ordinances

**LECTURE OUTLINE**

**I. CONSTRUCTION STANDARDS**

1. Federal agencies
2. State agencies
3. Regional agencies
4. Cities (New York City)
5. Counties
6. Local municipalities

**II. LAND-USE REGULATIONS**

1. Use groups
	1. Transferring unused development rights/air rights
2. Eminent domain
3. Nonconforming use
4. Spot zoning
5. Division of Building Standards and Codes (BSC)
6. Where to find construction standards
7. Compliance and noncompliance

**III. BUILDING INSPECTIONS**

1. Building plans and specifications
2. Historic preservation/landmarks preservation
3. Buyer preferences as markets change
4. Financial limitations and practicalities

**IV. HOME INSPECTOR LICENSING LAW**

**V. THE ROLE OF THE REAL ESTATE AGENT**

**VI. SUBDIVISION**

1. Restrictions on land use
2. Building codes
3. Interstate Land Sales Full Disclosure Act
4. New York State subdivided land sales law
5. Environmental regulations
	1. New York State Environmental Quality Review Act (SEQRA)
	2. Department of Environmental Conservation
6. Value of land for subdivision
7. Cost and financing

**VII. RESTRICTIVE COVENANTS**

1. Enforcement of deed restrictions
2. Types of subdivisions and subdivision density
	1. Street patterns
	2. Clustering for open space

**VIII. ABSORPTION RATES**

1. Gathering and interpreting market data

**IX. CONDOMINIUMS**

1. Selling condominiums

**X. COOPERATIVE OWNERSHIP**

**XI. CONDOMINIUM/COOPERATIVE CONSTRUCTION AND CONVERSION**

1. Conversion restrictions
2. Initial and subsequent unit/stock pricing
3. Temporary certificates of occupancy
4. New home warranty

**XII. TOWN HOUSES, PUDs, AND TIME-SHARING**

**XIII. SUMMARY**