



Understanding Ordinance 915

Part 3: What you need to know about selling or buying rental property Code Enforcement & Neighborhood Conservation

Buying or selling rental property has the added concern of what will happen with the rental housing license. In the City of East Lansing, the rental license is issued to the owner of the property. When a rental property is sold, the license expires on the date of sale.

Before Listing Your Rental Property

... please take the time to come into the Department of Code Enforcement and Neighborhood Conservation to discuss the status of the current rental housing license. Look at the rental property file and review the documents. This is the file that your prospective buyer will see when they come in to ask about the property. Also, check with the staff regarding the status of all bills and outstanding accounts on the property.

Before you list your property

- Know your rental file
- Be prepared to answer questions that your buyer may raise after reviewing the property file
- Have a zero balance on accounts due

Reviewing the Property Files Prior to Sale.

This is important for the buyer. The rental property file and the building file show the history and any concerns you should know about the property. An informed buyer is a smart buyer!

Tips for reviewing the files:

- Look at the current license. This will tell you the permitted occupancy and any other conditions on the license. Ask staff to explain any conditions you see on the license.
- Review the last inspection report. Is there anything which is of concern? Were the violations corrected upon reinspection?
- Ask for a payment history to make sure all accounts are current.
- Talk to staff about the property. Find out if there is a history of any violations on the property and if they could lead to any conditions on the license.

Before or After the Sale

The new owner or prospective owner must fill out a *new owner application form* in the Department of Code Enforcement and Neighborhood Conservation. The new owner form must be filled out to allow the license to be issued in the new owner's name. Although the new owner has up to one (1) year to submit a new owner application form, the license

expires upon sale. That means that any rental situation which exists on the property from the date of sale may result in the issuance of renting without a license tickets to the new owner if an application has not been received by the office.

Remember, it is best to submit the new owner application form prior to sale. Otherwise, the buyer (or new owner) will run the risk of being charged with renting without a license. The rental license will expire on the date of sale.

After the Sale

After the sale the license will be issued to the new owner, given that all the provisions for renewal are fulfilled. These provisions are no different than for renewal of any other rental license in the City. Any and all pre-approved conditions, including occupancy, habitable space, and other items will transfer to the new owner. A license authorized for a new owner will begin on the date of sale provided written notification of the exact date ownership was transferred is provided to the Department of Code Enforcement and Neighborhood Conservation within ten (10) working days of that date.

If the new owner application was submitted prior to sale, inform us of the date of sale within ten (10) working days to issue the license in your name.

If you have not submitted an application, please submit one ASAP to prevent charges being brought against you, the new owner.