

What is Temporary Certificate Occupancy?

Definition of Temporary Certificate Occupancy in Construction

Prior to the issuance of a Certificate of Occupancy, in many Towns and Cities, the issuance of a temporary certificate of occupancy is provided, to allow the owner of the property to legally enter, and take occupancy. A temporary certificate of occupancy, is many times accompanied by a list of items that have not been completed, but will be necessary to complete, prior to the issuance of the final Certificate of Occupancy. A temporary certificate of occupancy will trigger application for final payment and submission of the final punchlist for the project. Due to the extreme importance of occupancy, the temporary certificate has allowed owners to occupy properties, prior to the final approval by the architect and engineers as well as building officials.

The temporary certificate of occupancy still requires the satisfaction of all codes regarding the health and safety of the occupants. The fire marshal and building department officials are required to sign off on the temporary certificate, allowing occupancy of the building. Items that normally remain unfinished are the interior finishes, such as painting and miscellaneous trim work. The total completion of all means of egress, fire protection, sprinkler activation, etc. must be completed and approved prior to the issuance of any type of temporary certificate of occupancy.

Once the owner occupies the structure, under the temporary certificate, it is important that the contractor and the owner have an understanding regarding damages incurred, caused by the occupants now using the structure. There will be marks on the walls, broken ceiling panels, etc. that will occur due to occupancy. It is in the best interests of both the owner and the contractor to discuss damages incurred due to this situation, making the architect and engineers aware of this agreement. In addition to the damages caused by occupants, there is a tendency to procrastinate on the final completion, due to the issuance of the temporary occupancy certificate. This procrastination should not be allowed to interfere with the due diligence of all parties to complete all the work, and secure the final certificate of occupancy. Total completion will eliminate the punchlist, activate the final payment processes, release the payment and performance bond, eliminate the need for contractor insurance coverage, and shift the responsibility of the project to the owner.