



10 key things that can go wrong on a renovation project

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People who want to embark on a renovation project tend to focus most of their energy on the total amount they want to spend and when they want the project to be complete, but often fail to have the teams, systems and contracts in place to accomplish their goal. As a lawyer who works with people and companies on such projects, I always hope that people will choose to consult with me before they begin these projects. Here are some of the pitfalls to avoid from people who learned their lessons the hard way.

1. There is almost always some form of agreement that must be signed and adhered to by the tenant, shareholder or unit owner before renovation work can begin. In co-ops and condos, it is an Alteration Agreement. In commercial space, it is a lease provision, which often allows for a few months of free rent.
2. Signing an Alteration Agreement is just the beginning of the process. The building's architect must review and approve the plans, in addition to any approval needed by the Department of Buildings in order to obtain a permit. This may take a lot longer than expected.
3. The members of the team will vary depending on the size of the project. At a minimum there should be a construction attorney, an architect and a contractor.
4. Clients often make the mistake of signing contracts prepared by contractors without having them reviewed by a lawyer who understands construction law.
5. People assume that if they have hired a good contractor, the work does not need to be observed by an architect since the contractor will have its own supervisor on the project. That is short-sighted thinking.
6. Do not cut corners on insurance coverage or assume someone else will take care of it. Just because a landlord or a Board requires insurance, it does not mean that there will be enough insurance or that the problem will be covered by insurance.
7. Obtaining a Certificate of Insurance from a contractor is not enough. There must also be language in the contract requiring insurance.
8. The landlord and the board or managing agent are not there to act as the client's construction managers.
9. Obtaining signed waivers of lien with each payment to the contractor is essential.
10. Spend the money to have the right team members do what they need to do to make your project a success. Don't cut corners in the wrong areas.

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