

Contractor Guidelines and Renovation Rules for Condo Associations

Every condominium association should establish renovation and construction guidelines and work rules for the association, individual unit owners, contractors, and outside service providers. Establishing rules and guidelines defines requirements, expected practices and protects the association and its members.

The first rule any association should establish: Any contractor performing work for the association or for a condo owner must abide by municipal ordinances regarding code compliance, work permits and work times. If permits are necessary, make the contractor or unit owner responsible for permits and hold the contractor or unit owner responsible for any consequences, expenses and/or fines and penalties if they fail to obtain necessary, required permits. Make sure the contractor is licensed.

While local ordinances dictate work times, some associations do not permit work that creates noise, disruption, vibration, dust and/or debris during the peak occupancy season from Memorial Day through Labor Day. Some go so far as to prohibit noise-producing work during weekends or holidays year-round.

It is reasonable that the association management is notified in advance when certain types of plumbing, electrical and HVAC work is being performed. Some types of work such as that involving shut off of water valves or welding must be completed during normal business hours and should not be performed on weekends or holidays.

Especially at the shore, an association should establish minimum standards for replacement products and installation procedures and methods. Lower grade products and substandard installation methods and will not stand up to the harsh shore environment. In particular for replacement windows and exterior doors, inferior products and/or poor installation methods lead to water infiltration that can cause damage to exterior wall systems and framing components and quite likely migrate into adjacent condominiums.

All professional contractors and service providers are required by law to carry insurance to cover their activities. Ask for a certificate of insurance. Every contractor will know exactly what you are requesting. The certificate should include as additional insureds the condo association, the managing agent, and if work is being done in an individual unit, the owner of that unit. If possible, this certificate of insurance should be forwarded to the Association's insurance agent to review to make sure that the carriers and limits are adequate and dates are current.

Any condo building or HOA should also have its own liability insurance to cover accidents or other incidents on the property—this could include anything from slip-and-falls to staff injuries to property damage caused in the course of performing repairs and renovations. The latter is important to help minimize risk. An association can't always control its vendors' and contractors' safety habits so it pays to make sure you don't expose your HOA or condo to serious liability and expense.

Another option for condo associations seeking to protect themselves from liability is the inclusion of an indemnification clause in a vendor's contract. This clause states that the condo will be held harmless in the event of a claim that arises. Say a snow plow hits a car and the vehicle owner sues the contractor and the association, for example. Because of this clause the contractor would assume full responsibility and the association would be protected. The association needs to make sure that the contractor has such a contractually assumed liability provision in their coverage and will honor it should the need arise. Also, if a contractor is using subcontractors, make sure the subcontractor has insurance.

If the association uses an unlicensed uninsured contractor and property damage occurs, the association has less chance to obtaining reimbursement for damages than if a licensed and insured contractor was involved. If a unit owner uses an unlicensed uninsured contractor and property damage occurs, the association will seek to recover reimbursement for damages from the unit owner, along with any other fines for violation of association rules and policies.

Any contractor performing major renovations is responsible for removal and disposal of all construction debris, old cabinets, tile, carpeting, furniture and appliances. If the contractor does not remove it, the unit owner that hired the contractor should be held responsible. If contractors or owners are transporting material thru the common interior areas, flooring and wall protection should be required to prevent damage, unnecessary wear and staining to common interior area carpeting and flooring.

Associations have rules and regulations for owners, residents and guests. It should also have rules and regulations for contractors, subcontractors and their employees.

Establishing guidelines for renovations, remodeling and repairs along with hiring licensed and insured contractors improve the likelihood of a successful project, minimizes aggravation and reduces the likelihood of unintended consequences for the association and all unit owners.

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