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YOUR HOME

## Renovation Contracts: No Point Is Too Small

By [JAY ROMANO](#)

THE nice thing about having a written contract for renovation work is that all the details of the job are spelled out ahead of time.

That is, of course, unless they aren't.

“When owners and contractors or architects sit down to negotiate, there are certain topics that arise over and over again,” said C. Jaye Berger, a [Manhattan](#) real estate lawyer who specializes in construction. “And whether or not these issues are resolved ahead of time can mean the difference between a project that ends on a happy note and one that ends in litigation.”

For example, she said, owners who hire an architect or engineer to plan a renovation often assume that they will own the drawings the professional produces. But that is not necessarily the case.

“The work architects or engineers do is considered to be owned by them,” she said. “So if the owner wants to own the drawings, the issue should be addressed in the contract and might involve additional compensation.”

Who owns the drawings can be particularly important, Ms. Berger said, if there is a falling-out later.

Other matters that need to be addressed relate to subcontractors and insurance.

Ms. Berger said that while an owner typically will have no direct agreement with a subcontractor, it is possible for a subcontractor to take action that will affect the owner. “If the contractor doesn't pay his subcontractor, the sub can file a mechanic's lien against the property,” she said. As a result, she said, it is important to include a contract provision that the contractor will ensure that subcontractors are paid and that the contractor will be responsible for the removal of any mechanic's liens filed against the property.

It is also important to include a provision that the general contractor will have liability and workers' compensation insurance and will require the same of any subcontractors.

Dennis H. Greenstein, a Manhattan co-op and condominium lawyer, said that apartment owners would face additional red tape.

“Apartment owners almost always have to get alteration agreements from their boards,” he said, “and it is the responsibility of the owner to make sure that the contract conforms to the requirements of the alteration agreement.”

For example, he said, most alteration agreements specify the hours and days when work can be done. Unless the contract reflects those restrictions, there can be a problem if the contractor expects to work early, late or on weekends.

Alteration agreements also typically specify when the work must be completed and impose penalties if the completion date is not met. “The contract should provide for passing through to the contractor any penalties assessed against the owner,” Mr. Greenstein said.

The contract should also specify the amount of insurance required by the building; require the contractor to name the building as an “additional insured”; and make the contractor liable for damages caused to common areas or to other apartments.

Keith Steier, the president of Knockout Renovation in [Brooklyn](#), said that even contracts for relatively minor work should be as detailed as possible to avoid misunderstandings later.

For example, he said, if a contract requires a contractor to “prep and paint an apartment” or “replace baseboard molding,” the contract should also specify the extent of the preparation work and the type and quality of the paint and replacement molding.

Finally, the contract should be very specific about how and when the contractor is to be paid. “The owner and the contractor should have clear communications before the project begins and every detail should be spelled out in the contract,” Mr. Steier said. “Nothing should be taken for granted.”

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