Let's Maintain Our PROPERTY VALUE

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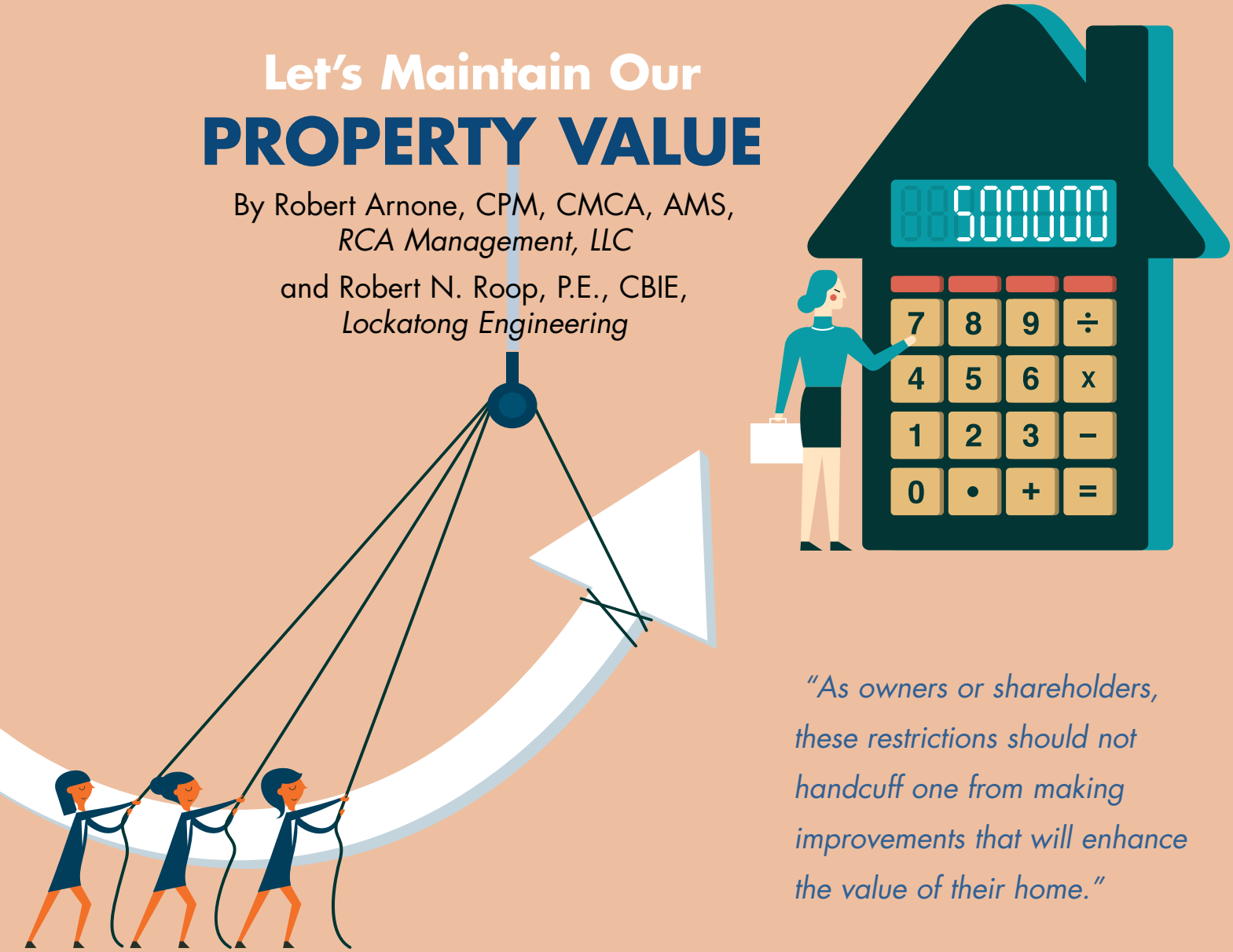

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"As owners or shareholders, these restrictions should not handcuff one from making improvements that will enhance the value of their home."

As properties age, condo or co-ops, buildings or communities, they face the challenge of being a landing spot for both young and old. Capital improvements to the community are at the discretion of the board or to be voted on by its members, often needing a majority or super majority vote. As owners or shareholders, these restrictions should not handcuff one from making improvements that will enhance the value of their home. The board, property manager, legal counsel, engineer and/or architect work together to create specifications, designs, alteration agreements, legal contracts, and administration, that set the guidelines for these improvements. With all working in unison, what could go wrong when a capital improvement is made to a townhouse or apartment?

Engineers are hired to solve problems, where architects are hired to share a vision. These different areas of expertise can sometimes get in the way of a shared common mission. Altering a home's appearance can be interior or exterior. When adding a new bathroom, for example, access to the main sewer line will be needed. Installing new windows could compromise both the structural integrity and design conformity. The vision of the homeowner or architect must meet the approvals of the hired engineer. It takes an experienced engineer and architect to understand the importance of each role. So how should boards proceed to put in place the best policy documents to avoid future conflicts?

Robert N. Roop, PE of Lockatong Engineering has over 40 years of experience drafting specifications. This includes specifications for both exterior and interior remodeling.

Q: Can you share a time an architect's drawing for an alteration could not be completed because of engineering concerns in the modifications?

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A: Many times, an alteration does not adequately account for utilities needed to operate a mechanical plumbing or HVAC system. For example, the need for combustion air or exhaust venting in a furnace, boiler or even a clothes dryer. All have limitations in the length of vent pipes for safe operation. No one wants a fire in a lint-clogged dryer vent because it is too long. Another issue is the installation of equipment in very cramped spaces. Easy enough to install during renovations but a nightmare to service, repair and replace when the time comes. In defense of architects, owners and developers are eager to build the most livable space and direct the architect to squeeze everything else in.

Q: What are some examples where both an architect and engineer will be needed in home improvement?

A: Certainly, the most obvious example is where a structural modification is envisioned. To have an interior wall removed or passageway widened requires an engineer. They will trace the load path from above the proposed alteration all the way to the foundation. If the wall in question is bearing any part of that load, a beam or header will need to be designed to carry the load. Another example is where structural repairs are required during an exterior restoration designed by an architect. The coastal resort building boom of the early 2000s resulted in some very bad building envelope waterproofing. Now, 15 years later, the impact of years of water infiltration has rotted or corroded structural members. An engineer is needed to evaluate the seriousness of the damage and define repairs.

"What are some examples where both an architect and engineer will be needed in home improvement?"

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Q: How about an alteration where either an architect or engineer would suffice?

A: In New Jersey, residential construction is defined as the purview of architects so, except for structural issues in typical single-family homes, there are few opportunities where the professional engineer would be needed.

Q: Do you feel a performance bond is necessary for the condo association or co-op protecting the condo association or co-op in the event there is a dispute between the contractor and the homeowner?

A: A performance bond is purchased by the contractor and ultimately included in the cost of the job and paid for by the association. If the contractor failed to perform, the bonding company pressures the contractor to finish the job. If the contractor still fails to perform, the bonding company calls in another contractor to finish the job. A contractor who has a poor record may not be able to obtain a performance bond, or the cost will be high. In the case, if a homeowner has a dispute and the contractor's contract is with the association, the association would have to decide if the homeowner's dispute was valid and then contact the bonding company. Determining if a performance bond is necessary is a judgment call and balance between the risk of a poor contractor and the cost of the bond. A large project with an unknown contractor would be an example where a bond is recommended. One indication of the quality of a contractor is to ask for the cost of a performance bond to be identified as a separate line item in a competitive bid. Compare each bidder's project cost and cost of the bond. A bond cost that is high could indicate that contractor might have a poor performance record.

Q: What is the role of the engineer after the design, specifications, and contract have been approved by the board?

A: Construction management and monitoring are where an engineer will be helpful after the contract is approved. Construction management includes the review of construction progress, approval of progress payments, submittal approval and responses to requests for information and clarifications during construction. Unseen conditions that were not seen during design will require the engineer to design a resolution. Construction monitoring is different. On-site inspections during construction are performed to monitor progress and confirm the construction is performed according to the plans and specifications, the specified products are installed, and the manufacturer's recommended installation instructions are followed. Photographs document the project. At project completion, the engineer walks the site and develops a "punch list" of tasks

for the contractor to complete the job then confirms the punch list is closed out. Lastly, the engineer collects warranty and other certificates for the association's files and confirms final code inspections have been performed, and a certificate of occupancy is issued.

Q: Can you share with us a horror story, when it was recommended that a condo association or co-op bring in both an engineer and architect, but to save money hired only one or neither?

A: Unfortunately, some association boards have members who believe they are qualified to get bids from contractors for a project without a specification, without competitive bids on a defined scope of work or just getting a proposal from a single contractor. Here is only one horror story of many: A beachfront 20+ owner building had been

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experiencing water intrusion problems since the first occupancy. One contractor came in and made minor repairs around a few windows. Problems persisted. The second contractor came in removed siding and found rotted structure and mold behind the siding. Some repairs were made but, in the process,, siding was improperly re-installed, fire stopping was compromised, structural defects were ignored, and the job was not completed. Owners continued to be frustrated with water leaks. Finally, an engineer was retained who specified where and how the façade restoration and correction of failed previous attempts should be performed. The building siding was replaced entirely and all balconies rebuilt. The cost to the owners: estimated cost per owner — $75,000; 10 years of disruption; lost rental income; time not on the beach — priceless.

Something unforeseen usually happens with every construction project. Associations should recognize that possibility, be prepared in advance, and have the professionals available to help navigate the process. Being a lone wolf will leave you out in the cold. Engineers and Architects as your trade partners will help you lead the pack as advisers to your communities. ■

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