

2009 Co-op and Condo Expo

Apartment Renovation Policies for Boards and Shareholders

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Apartment Alteration Policies

- Alteration Agreement
 - REBNY (Residential Management Council)
 - Structural changes
 - Decorative/cosmetic work
 - Sample letters
 - Checklist for management
 - Modify with riders for unique building conditions
 - Modify so that shareholder agrees to indemnify corporation for “bad outcome” renovations.
 - Blumberg Form T-398 (out of date)

The Value of Alteration Policies

- Defined in advance is easier to enforce.
- Consistent. Same policy even if Boards change.
- Objective. Keeps personalities out of the picture.
- Building architect can perform reviews based on your specific policies.

Defining the Project Scope

- Written description for decorating (finishes on walls and floors except bathroom)
- Sketch diagram and written description if building permit not required.
 - Minor plumbing, changing bathroom fixtures, electrical, cabinets)
- Plans prepared by licensed architect or engineer required for building permit
 - Modifying walls, floors, structure

Licensed Professionals

- Plumbing and electrical work.
- DOB filing. Architect or engineer hired by shareholder.
- Building architect (or engineer) should review all except finishes (paint, floors, etc.)
- Building architect should never work for shareholders
 - Major conflict of interest

Licenses and Insurance

- Copy of licenses from plumbers and electricians
- “Filing” a permit requires RA or PE
- Construction projects (Alt. II or Alt. I)
- Liability Insurance. All contractors, and consultants (architects, engineers)
 - Set insurance requirements (varies by building and type of work)
- Workmen’s compensation from all contractors.
- DOB requires insurance to “pull” permit
 - Tracking number

Do We Really Need to File?

- Removing a non-loadbearing partition between kitchen and dining room.
- Making a doorway to combine two apartments
- DOB says yes. New DOB fine schedule is substantially stiffer than old schedule. Fines payable by corporation. Significant violations may result in Stop Work order that effects other shareholders.
- Neighbors, especially neighbors disturbed by renovation noise, are an excellent resource for DOB in finding illegal work. 311.
- File Landmarks before DOB.

Renovation Schedule and Work Hours

- Require schedule from shareholder
 - Stop work (as agreed to by shareholder alteration agreement)
 - Schedule reviewed by building architect
- Liquidated damages for delays
 - Actual costs only (building staff, management, architect, consultant)
- Corporation sets work hours

Typical Major Projects

- Enlarge and enhance kitchens
- Enlarge and enhance bathrooms
- Open plan (eliminate walls)
- Increase closet space
- Combine apartments (usually horizontally)

Alteration Policies: Building Risers

- Riser issues
 - Can disrupt plans for enlarged rooms, open plan
 - May be fragile
 - Modifications may create problems in other areas
- Riser types
 - Plumbing (supply, waste, vent, roof leaders)
 - Gas piping
 - Electrical, intercom, telephone
 - Ventilation
 - Kitchen and bathroom exhaust
 - Heating (sometimes cooling)
 - Usually on outside wall
- Recommendation: Don't permit riser modifications

Alteration Policies: Services

- Services (electrical, plumbing, gas)
 - In some older buildings (mostly before 1940), piping and electrical service may no longer be adequate or have deteriorated.
 - Building has upgraded some risers or is planning to upgrade soon.
 - Replacing branches (through apartment) is very disruptive.
- Recommendation
 - Require replacement of branches when apartment is sold.

Alteration Policies: Electrical Services

- Modern electrical service requirements (central a/c, etc.) of renovated apartments may consume excess electrical capacity.
- Recommendation: Have electrical engineer survey house supply, demand. Ration or require new individual riser at shareholder cost.
- Consider building riser replacement if problem is widespread (more likely in older buildings without central air conditioning).

Alteration Policies: Wet over Dry

- Enlarged bathrooms (and kitchens)
 - May be noisier than the space below
 - Branch drain lines must have adequate pitch
 - Increased risk of leaks
 - Ventilation requirements
- Recommendations (if permitted)
 - Provide soundproofing at floor
 - Inspect for adequate pitch, install waterproofing
 - Extend existing ventilation to new or enlarged area

Alteration Policies: Washers and Dryers

- Washer and dryer problems
 - Washers are prone to leak, flexible connections.
 - Vibrations
 - Dryers usually require venting to exterior
 - Ventless dryers may increase indoor humidity (and risk of mold)
- Recommendations (if permitted)
 - Verify adequacy of existing drain lines (by architect)
 - Install washer in shower pan (overflow drain)
 - Front load washers use less water, reduce sudsing issue
 - Use sound dampening (may not be adequate)
 - Vent dryers through modified window opening
 - Don't permit ventless dryers

Alteration Policies: Windows

- Windows.
 - Building has a hodgepodge of replacement and original windows. It looks bad and it's difficult to heat apartments evenly.
- Recommendations
 - If windows are responsibility of individual residents, have a master plan.
 - If Landmark, then master plan approved by Landmarks will make replacement much easier.
 - Some buildings require window replacement to conform to master plan at change of ownership.
 - If replacement not permitted, recommend interior storms.

Alteration Policies: Air Conditioners

- Window and through-wall air conditioners
 - Window air conditioners have the **potential to be very dangerous** and they can allow leaks.
 - Through-wall air conditioners (usually installed below windows) can leak and look bad. A hodgepodge of air conditioners.
- Recommendations
 - Window air conditioner installation guidelines prepared by building architect, inspect by Super.
 - Don't permit through-wall air conditioners or have guidelines prepared by building architect.
 - Master plan. Consistent exterior grill for improved appearance.

Alteration Policies: Balconies and Terraces

- Balcony enclosures, greenhouses, additions.
 - Apparently relatively inexpensive way to get more space.
 - May have a tremendous impact on building appearance.
 - Can cause terrible leaks. Difficult to maintain building exterior around structure.
 - Must be filed with DOB. Probably will consume FAR (available buildable space).
- Recommendations
 - Don't permit at all. Don't permit if there will be a visual impact.
 - If permitted, extremely careful detailing. Waterproofing specialist must be involved.
 - May require corporation counsel. Will new structure change number of shares?

Alteration Policies: Balconies and Terraces

- Terraces (and sometimes balconies) leak into apartments below.
- Large, heavy plant containers and poor housekeeping make leaks more likely.
- Terrace replacement is very expensive.
- Recommendation: Provide specific guidelines about what is permitted on a terrace.

Alteration Policies: 2030

- Reducing energy demand is critical for a many reasons. It also can be a good investment.
- Recommendation: Upgrade apartment energy use when renovated.
 - Enhanced meter technology. Residents know how much electricity they are using at any time. Very inexpensive.
 - Better windows and better walls to reduce heating and air conditioning. Develop and implement a master plan.
 - Recommend better appliances.

Alteration Policies: Finance

- Alteration policies may put a significant financial burden on a new shareholder renovating an apartment.
- Alteration policies may make an apartment for sale less attractive due to this burden.
- Recommendation: Consider the cost of the policy for shareholders at your building.
- Good alteration policies should make your building a more attractive place to live.
- Consider partial reimbursement for some policies.

Thank you!

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