



Developer Lawsuit Prevents Sale

By Denise Lash on March 28, 2011

In the first few years of a newly created condominium corporation the owner elected board will try to resolve issues dealing with building deficiencies, the developer's warranties and representations made in disclosure statements by the developer. In certain instances, a board may decide that commencing an action against the developer is the most effective way to resolve a dispute.

Once the claim has been issued, the condominium corporation must provide details as to the claim on any status certificate requested by a prospective purchaser.

Depending upon the nature of the claim, this could have an impact on any owner wishing to sell their unit during the period that the claim remains in existence.



Amber Brien, a condo owner in Downtown Brooklyn, was recently forced to take her condo unit off the market at the time her condo association filed a lawsuit against the developer for building deficiencies. The condo association is hoping to get the 4.7 million needed for repairs to the building.

Of course Amber initially thought her unit would fetch a good price and sell quickly. However, once prospective buyers found out about the lawsuit, the offers were either too low and would result in Amber selling at a substantial loss or offers were not even presented. So for now, Amber and others are sitting tight, hoping for a successful lawsuit or better yet a quick settlement.

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