



From the Law Office of Ronald H. Gitter, Esq.

Addressing the Realities of Residential Real Estate

May 14, 2010

The Punch List



In a Sponsor Sale, When is the Apartment Deemed Completed?

The Offering plan will always address what constitutes completion of the apartment. Invariably, the apartment will be deemed completed if only minor items are outstanding (such as wall dinks, chipped counters misaligned cabinet doors and paint marks). These items will be noted on an "inspection sheet" when the purchaser does his or her walk through and will theoretically be

completed within a reasonable period of time after closing. Sometimes serious conditions, such as warped floors or water damage will result in an adjournment of closing until the condition is remedied.

Getting Stuff Done After Closing

The speed with which the sponsor fulfills its "punch list" obligations post-closing can depend on many different factors. If there was ever a time when the squeaky wheel concept came into play it would be with the completion of punch list items. Stay on top of the construction people who are handling the post closing items. Feed them, clothe them, promise them vacations. Do whatever you can to get the work done as soon as possible. Most developers lose interest in a project once it's completed, so tenacity about getting the punch list handled promptly will serve you well. The sponsor's purchase agreement will specifically provide that no escrows or abatements will be taken for punch list items so, in most cases, there is no way to reduce the price or delay the closing to get the items handled. Expect to see painters, plumbers and tile guys floating around your building for many months after closing.

If You Don't Ask, You Don't Get

Many sponsors got a pass in the old days and had watered down punch list provisions that gave the sponsor significant control of what constituted a punch list item and what became a frustration for the buyer. Although sponsors are still unwilling to go beyond the Offering Plan in terms of how a punch list will be handled after closing, buyers should ask for everything and get as much as they can.

For more about Sponsor transactions, see “[Life is Not Fair—More About Purchasing from a Sponsor.](#)”

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