



## Projects on Apartments and Condominiums - Commercial or Residential?

We've mentioned several times that, in order to have a valid mechanic's lien, it is generally imperative the lien claimant not miss his notice deadlines. Calculating the deadlines can sometimes be confusing, and even if it is entirely clear what type of project gave rise to the lien claim, and what role the lien claimant played in the project. However, sometimes determining whether the project was private or public, or whether it was commercial or residential, can be tricky even before a lien claimant attempts to calculate the required deadlines. Since, in many states, different notice requirements, and different deadlines apply to residential work as opposed to general commercial work, it is important to be able to determine which project type applies to your project.

One situation in which it may be confusing as to whether a particular project is commercial or residential is when the project involves an apartment or condominium building. Because people live in apartments and condominiums, it seems relatively straight forward that projects involving them would be considered "residential". Unfortunately, this is not the case.

Generally speaking - work on an apartment complex is usually considered a commercial project.

Also generally speaking, work on the common areas of a condominium building at the request of the condominium association, or work to construct a condominium building prior to individual condominiums being sold, is also considered a commercial project.

On the other hand, work on an individual condominium - and not on the common areas, is routinely considered a residential project. To make it even more confusing, work on a duplex or triplex is probably residential, as well - even if there is "common area" - if the property is owned by one person/company and the other residents rent.

The difference is due to the definition of what constitutes a "residential" project. While the definition varies state by state (like everything else in mechanic's liens) it generally requires the property

to be owner-occupied, and consist of less than a certain amount of units.

So, the generally more onerous notice requirements for residential projects may not apply as much as one would think when the project involves an apartment or condominium building.

Read this post on the Lien Blog at:

<http://www.zlien.com/blog/?p=9219>