

CONTRACTOR ALERT

Contractor Alert is a joint publication by this Contractor and the Law Offices of Richard M. Sissman, Esquire, located at 1485 Chain Bridge Road, Suite 105, McLean, VA 22101. This newsletter is designed to give general information on the matters covered. Space limitation prevents exhaustive treatment or analysis of this topic. This newsletter is not intended to substitute for advise on specific legal problems. If you are interested in receiving a complimentary issue or to be placed on our mailing list, contact Richard M. Sissman, Esquire. We welcome and appreciate your suggestions for future article topics.

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DISTRICT OF COLUMBIA-THE RIGHT TO LIEN A BUILDING

In the case of Calvin L. Moore v Axelrod, 443 A.2d 40 (D.C. 1982), an agent contracted with the owner to rent lease operate and manage apartment units. The query was whether this person would be entitled to place a mechanic's lien against the Owner's property for servies rendered.

The person that acted as a manager and broker with respect to apartment units in the District of Columbia, claimed that he also acted as a repair man and therefore was entitled to invoke a mechanic's lien for services rendered as previously codified at DC Code 38-101 et seq. and now set forth at DC Code 40-301.01 et seq.

The trial court ruled that the Appellant, was a real estate broker and not a contractor and therefore not entitled to recovery under the lien statute. The Appellate Court disagreed. The Appellate Court held that "...the purpose of the mechanic's lien statute is to provide a remedy to parties who have improved the value of the property through contribution of labor and materials. The theory underlying the statute is that a party who contributes labor and materials which enhance

the value of the property..." will be permitted to use the lien law to its advantage.

Although the Appellant acted as a real estate broker and had a contract with the Owner as a broker, the Court found that he also may have acted as a repair man. The Court acknowledges that if Appellant was solely a property manager/broker, that would not be sufficient to be covered by the lien statute. But if the person sufficiently pled in his suit that he did work and or furnished material that was incorporated into the property, he would then be covered by the statute.

The Court held that the right to the lien arises when labor is performed and/or materials are furnished as a consequence of which value was added to the structure involved. In conclusion, no matter what your title with an Owner, as long as you can demonstrate that you in some fashion, improved value of the property, through labor and/or material, you will be entitled to sue via the mechanic's lien statute.

If you should have any questions on this issue please contact Mr. Sissman at his website at www.contractoralert.com or by phone at (703) 903-9646 or (301) 762-0402.