

Substantial Defined

Completion

“Every contractor has heard the term and many have had to figure out exactly what it means. Substantial completion is a legal term found in construction contracts to define that stage of a contractor’s work which is sufficiently complete in accordance with the applicable construction agreement. And when used in relation to a project as a whole, substantial completion is that point where what was constructed is fit for occupancy and ready to be used for its intended purpose,” explains Patrick Barthet in The Lien Zone’s ***Contracts***.

“It is a critical term in the life of any construction project as any construction lawyer would advise. It signifies the time the owner versus the contractor becomes responsible, when the contractor’s work is done so that the owner can begin to use the contracted work for its planned function, or in the case of a building, occupy it. That said, it is not necessarily tied to the issuance of a certificate of occupancy.”

Read the article.