

SUPERIOR COURT OF PENNSYLVANIA

1000 Grandview Ass'n v. Mt. Washington Associates, 290 Pa. Super. 365

434 A.2d 796 (1981) · Decided September 11, 1981

SUMMARY

The Pennsylvania Superior Court held that a condominium association had representational standing to sue developers for alleged breaches of express and implied warranties concerning defects in the condominium's common areas. The court held that the construction lender, as a mere lender of construction funds, could not be held liable for construction quality. The lower court's order was affirmed in part, reversed in part, and remanded.

CASE DETAILS

COURT	Superior Court of Pennsylvania
WRITING FOR THE COURT	Wickersham; Spaeth; Lipez
JURISDICTION	Pennsylvania
DECIDED	September 11, 1981
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The condominium association appealed from an order sustaining preliminary objections and dismissing its complaint. The developers challenged the association's standing, and the lender challenged both standing and the sufficiency of the claims against it.
STANDARD OF REVIEW	The court reviewed the sustaining of preliminary objections and dismissal of the complaint, accepting the complaint's well-pleaded allegations as true for purposes of the demurrer.
PRECEDENTIAL VALUE	Published precedential opinion of the Superior Court of Pennsylvania
PARTIES	1000 Grandview Association, Inc. v. Mt. Washington Associates, Rub-A-Dub-Dub, Inc., Stanley Perlman, Marilyn Perlman, Marc Scoratow, Friendship Federal Savings and Loan Association of Pittsburgh

TOPICS

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PRACTICE AREAS

civil procedure

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torts

QUESTIONS PRESENTED

1. Whether a condominium association may assert representational standing on behalf of its unit-owner members when the complaint alleges immediate, direct, and substantial pecuniary injury to those members.
2. Whether the construction lender could be held liable as a joint venturer or for construction-quality defects merely because it provided construction financing.
3. Whether the association's warranty and construction-defect allegations were sufficient to survive preliminary objections.

HOLDINGS

1. A condominium association may have representational standing to assert the rights of its individual unit-owner members when it alleges that one or more members suffered immediate, direct, and substantial injury and individual participation is not indispensable to resolving the claim.
2. A construction lender that merely provides construction financing cannot be held liable for the quality of construction on that basis alone and was not shown to be a joint venturer with the developers.
3. The association's allegations of express and implied warranty breaches involving defects in the condominium's common areas were sufficient to allege direct injury for standing purposes and could not be rejected solely because the association, rather than individual unit owners, brought the action.

KEY QUOTATIONS

“The association must allege that its members, or any one of them, are suffering immediate or threatened injury as a result of the challenged action of the sort that would make out a justiciable case had the members themselves brought suit.” (368)

“Thus, an association may have representational standing to assert the rights of its individual members, if it alleges an immediate, direct and substantial injury to any one of them.” (369)

FACTUAL BACKGROUND

1000 Grandview Association was a nonprofit corporation composed of all unit owners in a Pittsburgh residential condominium. It sued the condominium developers and Friendship Federal, the construction lender, alleging defects and omissions in the common areas, including cracked masonry, water leakage, and a defective sewage pump. The association sought damages for alleged express and implied warranty breaches and alternatively alleged that the lender breached a duty of care in supervising the condominium's design and construction.

PROCEDURAL HISTORY

The association filed a three-count complaint alleging construction defects and breaches of express and implied warranties against the condominium developers and the construction lender. The lower court sustained

preliminary objections on July 11, 1979, holding that the association lacked standing and that the lender could not be held liable as a joint venturer. The Superior Court affirmed the ruling concerning the lender, reversed the standing ruling, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The action was remanded to the lower court for proceedings consistent with the opinion, after reversal of the ruling that the association lacked standing. The order was affirmed insofar as it sustained Friendship Federal's preliminary objections.

CASES CITED

- Wm. Penn Parking Garage, Inc. v. City of Pittsburgh, 464 Pa. 168, 346 A.2d 269 (1975)
- Barrows v. Jackson, 346 U.S. 249, 73 S. Ct. 1031, 97 L. Ed. 1586 (1953)
- Warth v. Seldin, 422 U.S. 490, 511, 95 S. Ct. 2197, 2211, 45 L. Ed. 2d 343, 362 (1975)
- Boston Stock Exchange v. State Tax Commission, 429 U.S. 318, 97 S. Ct. 599, 50 L. Ed. 2d 514 (1977)
- Tripps Park Civic Association v. Pennsylvania Public Utility Commission, 42 Pa. Cmwlth. 317, 415 A.2d 967 (1980)
- Concerned Taxpayers v. Commonwealth of Pennsylvania, 33 Pa. Cmwlth. 518, 382 A.2d 490 (1978)
- Arel Realty Corp. v. Myers Bros. Parking Corp., 237 Pa. Super. 87, 346 A.2d 796 (1975), after remand, 258 Pa. Super. 548, 393 A.2d 669 (1978)
- Friendly Village Condominium Association, Inc. v. Silva and Hill Construction Company, 31 Cal. App. 3d 220, 107 Cal. Rptr. 123 (1973)
- Wittington Condominium Apartments, Inc. v. Braemer Corp., 313 So. 2d 463 (Fla. App. 1975)
- Deal v. 999 Lakeshore Association, 579 P.2d 775 (Nev. 1978)
- Christiansen v. Philcent Corp., 226 Pa. Super. 157, 313 A.2d 249 (1973)