

Will History Repeat Itself... What Have Builders Learned From The Building Boom Of The 1980's?

What has the common interest development industry learned from the building boom of the 1980's? We learned that the high demand for housing coupled with less than ethical builders/contractors, and a shortage of skilled labor, often result in poorly constructed homes. These defective homes were sold to unsuspecting home buyers who then were stuck with constantly repairing their new home(s) and/or homeowner associations.

Builders, in their rush to meet the growing demand for homes, often took shortcuts during the building process. A common shortcut was the failure of developers and builders to properly supervise unskilled construction laborers. Often, the recommendations of their architects and engineers are ignored in the interest of saving costs, resulting in construction that does not stand the test of time.

So what did we the consumer ultimately learn from the building boom of the 1980's? We learned that construction defects were often the end result of the above noted shortcuts. But the most important question remains: Have the builders learned to construct a home properly when consumer demand is high and there is pressure to get homes built and sold as fast as possible?

We have now arrived at the New Millennium and with it a new building boom. Throughout the Southwest we are enjoying revitalized economies and with those thriving economies there is an increased need for housing of all types. First-time buyers are seeking to find affordable homes and other consumers are looking to move up into larger more luxurious homes for their families. Recognizing this opportunity, builders are again rushing to get homes built, and, unfortunately, it appears that they have not learned from their mistakes of the past. We are already seeing history repeat itself. Builders armed with the hard-learned knowledge of the 1980's again appear to making the very same mistakes which resulted in millions of dollars in legal claims brought by hundreds of thousands of dissatisfied homeowners and homeowner associations.

Many of the mistakes that occur happen simply in a rush to get homes built and sold. One significant problem for builders during a housing shortage, as mentioned above, is the demand for skilled laborers. During periods when there is a tremendous demand for housing, skilled labor is at a premium. Carpenters, electricians and other construction tradesmen can demand top dollar. Ultimately, this demand results in shortage of these experienced tradesmen. In response to this shortage, developers are repeating a disastrous policy of hiring unskilled workers in place of the more experienced and skilled tradesmen.

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Unskilled labor alone is not the sole cause of construction defects. Unskilled labor coupled with poor or no supervision and unrealistic construction deadlines, are the factors which conspire to cause substandard housing. In a thriving housing market, developers can make millions of dollars due to the increased selling price of homes. In an effort to capitalize on this opportunity developers may opt to make decisions out of greed rather than a concern for customer service or quality control. Unskilled laborers, if supervised properly, can build defect-free homes. However, builders have demonstrated that they often do not hire the additional job supervisors necessary to supervise a labor force of novice construction workers. Nor do they hire architects to perform on-site inspections. These omissions leave the unskilled worker with little guidance or work supervision. This was a common practice of the building industry throughout the 1980's. What is more distressful is that we are already

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seeing instances in newer communities where developers repeated these types of practices. Rather than implementing practices to improve the quality of their homes, builders have chosen to seek to change the law to favor inferior construction. They have spent hundreds of thousands of dollars lobbying State legislators to endorse more anti-consumer, pro-builder legislation.

Homes can be built to meet the expectations of home buyers. They can also be built so that they are water-tight and without structural defects. There is a whole cottage industry of design firms which will inspect work in progress to insure that the homes are built properly and to the plans and specifications, and standards set forth in the Uniform Building Code. Additionally a multitude of inspection companies, provide and offer construction management services. There is even one such company, which developed an inspection list of more than 2000 common construction defects. These companies encourage developers to institute quality control programs designed to eliminate construction defects during the construction process.

Only time will tell if builders and developers will learn from the mistakes of the past. One would think the knowledge gained from the building boom of the 80's would be a catalyst for change. Clearly it is in the best interests of both the consumer and the builder to build and sell quality homes. But, for those that do not, construction defect litigation will continue to be the only recourse homeowners and homeowner associations have to repair their homes and communities, and ultimately, to make it the home that they thought they were buying - the home of their dreams.

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