

THE HOMEOWNERS JOURNAL

IN THIS ISSUE:

| | |
|---------------------------------------|---|
| Getting the Best Contractor Possible | 1 |
| New Construction Inspections | 1 |
| New Homes Often Need as Many Fixes... | 2 |

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TOH'S 6-POINT PLAN FOR GETTING THE BEST CONTRACTOR POSSIBLE

Follow our plan and you could land one of the best pros around.

Conducting the Interview

Once you've settled on three potential contractors, arrange a time for each one to take a look at the project. You're looking for someone with a good reputation who has the skills and experience to deliver a quality job at a fair price, sure, but that's not all. The contractor and his crew will be spending a lot of time in your house, so ask a lot of questions.

Ask about anything you don't understand, including terminology. He might refer to "bullnose" or "ogee" when discussing coun-



tertop edges, and if you don't know the difference you might not get the shape you want. Ask about things you do understand, too — it's a great way to assess the scope of someone's knowledge. Gather information in one interview and use it in the next. If Contractor Jones says, "I'd replace that trim rather than trying to repair it," ask Contractor Smith, "Do you think it's worth repairing that trim, or should we just replace it?" There may be more than one right answer in a given situation, but the response will tell you if the contractor has the training, experience, and judgment to make decisions you'll feel comfortable with.

Getting References

Ask any contractor you're considering for at least five references; contact at least three. ("But ignore the first one," says TOH plumbing and heating expert Richard Trethewey. "It's usually the brother-in-law.") The closer the projects are in scope and style to

Please see **TOH's** / page 2

NEW CONSTRUCTION PROGRESS INSPECTIONS

You should be considering more than upgrades when building a new home

By James Quarello

Having a new customized home built can be an exciting experience. Getting through the process however can be a long and at times difficult ordeal. People having a new home built often rely solely on their builder to help guide them through the construction. Unfortunately he may not be the best person to advise them on their project.

Consider the following:

- Home builders and many contractors involved in home construction are not [licensed](#)

professionals

- No license means no mandated formal training or apprenticeship, no continuing education, and minimal accountability
- City building inspectors check for code compliance, not quality
- Codes do not cover all aspects of the building process

These are facts that the majority of people building new homes or for that matter having work done on their existing home, do not know. But who can a new construction home buyer find

who will objectively and competently oversee an entire building project and provide knowledgeable, unbiased information on construction techniques and materials? An independent, licensed, professional home inspector.

Most often home inspectors are called in after the new home owner has been experiencing problems with the house, often for many months or even years after it was built. What new construction home buyers almost never consider is hiring the inspector *while* the house is being built.

When problems do occur and the homeowner is asked about new

Please see **New** / page 3

NEW HOMES OFTEN NEED AS MANY FIXES AS OLDER ONES

By Broderick Perkins

Tony Sudol, a commercial construction project manager, bought a home in Gilroy, Calif., in the Creekside development, but the walls and ceilings bowed, a stove and air conditioner weren't installed and roof shingles and tiles needed replacement -among three dozen problems.

In the posh, gated Silver Creek Valley Country Club in San Jose, Calif., a \$360,000 condo came with intermittent electricity, incomplete plumbing and problems so severe the owner hired an attorney.

Michael Lorenz, a General Electric project manager, was unable to move into his home in the Deer Park community of Gilroy after the city closed it until the builder corrected grading, crumbling streets and other problems.

"I've never been so stressed out in my life," said Lorenz, after losing time from work and spending an extra \$1,000 to store his personal property during the move-in wait.

The growing list goes on.

Problems you'd expect to find in older houses are more and more often turning newly built dream homes into nightmares. And consumer experts say buyers who shell out hundreds of thousands of dollars to buy new homes to avoid problems found in older homes ought to change the way they buy.

Built with state-of-the art technology, design and materials; appliances with higher energy efficiency ratings; warranties; and options, new homes are often considered, dollar-for-dollar, a better value than older ones.

Yet, even builders concede today's new homes are built with assembly line speed, without the quality control found in, say, new car production. And most buyers don't take the time to give them a professional once-over while they are built.

Housing starts are nearing boom-time levels achieved before the last recession. But while builders are enjoying the

demand side of the latest economic boom, they can't find enough qualified craftspeople to help them meet that demand.

When California's real estate market crashed, building crafts-people scrambled for Las Vegas, Phoenix, Denver and other housing boomtowns, never to come back. With them went good construction industry site supervisors and customer service people. So quality control suffered.

"Yes, I've seen an increase in warranty claims. Generally speaking, I have seen a problem with a decrease in the quality of construction," says John Bremond, president of the Monterey Division of Kaufman and Broad, California's leading homebuilder.

Half of the 20 or so calls received by the national non-profit United Homeowners Association are about problems with new homes, says Albert Clark, UHA vice president.

"No home is 100 percent defect-free. If you've put \$300,000 worth of anything together, you are going to have problems," Clark says.

Because of the quality problems, Kaufman and Broad recently faced mobs of unhappy new homeowners waving lists of defects in both Gilroy and Scotts Valley.

"I guess it's normal that these kinds of problems exist, but not one that I condone or one that this company stands for. 'Where Trust is Built' is our slogan, and we do all we can to have home buyers trust in us to make sure they have a good experience," said Bremond.

Homebuyers may be too trustworthy. Generally unaware of the problems plaguing the home-building industry, buyers assume a new home, like a new car, will be relatively defect-free.

In their rush to own, they simply don't take the time to scrutinize a new home like most buyers do when they purchase a resale home.

Shea Homes offers customers four opportunities to inspect the homes they

Please see **Fixes** / page 5

TOH'S 6-POINT PLAN

From page 1

your own, the better. Get previous clients to give you details of the contractor's dependability and workmanship, how he handled problems, whether the budget stayed intact, and if work progressed on or close to schedule. Bottom-line question: Would you hire the same person again?

Assessing the Bids

The low bid isn't likely to be top-quality construction, and the high bid isn't a guarantee of the best work. Some contractors submit a high bid if they don't really want the job or don't have time to come up with a more accurate proposal. When hiring people to work on his own house, TOH general contractor Tom Silva generally tosses out the lowest and the highest bids, figuring that the ones in the middle are the most realistic.

Discuss up front how the contractor expects to be paid. Payments for large projects are typically spread out over three to six intervals, based on various completion benchmarks. The first payment is a deposit and seals the deal. The last is usually 10 to 15 percent of the total, delivered upon your approval of the project. Beware of anyone who demands cash payments; you won't have any proof of how much you've handed over. A contractor who asks for his full fee up front is probably a crook.

Creating a Contract (and Yes, You Do Need One)

Every project, no matter how small, should be covered by a contract. It should include the basics — start date, end date, cost — as well as a clause stating the work will conform to all applicable building codes. The project description should be as detailed as possible. For example, a deck contract might specify: "Demolish old deck. Build new 10-by-12 deck." Better would be: "Remove old deck, dispose of debris. Excavate site as needed, install new footings, posts, and handrails to code. Decking to be 2x6 cedar, custom knotty grade, nailed per code and finished with two coats of penetrating sealant."

Please see **TOH's** / page 3

TOH'S 6-POINT PLAN

From page 2

10 Essential Questions You Need Answered

The bigger the project, the more answers you need up front. Here's a checklist of 10 essential questions to ask before you sign on the dotted line.

>> Timing

How long will it take? A good contractor can tell you when he can start and when he can finish, weather permitting. Find out if he's working on multiple jobs at the same time, or if he will have to hire unfamiliar subs to handle the additional business. A schedule stuffed with too many projects may leave yours without his full attention.

>> Experience

How many projects like this have you done before? Whether it's a whole-house remodel or just a built-in bookcase, an experienced contractor has already faced the typical problems and knows how to solve them. If he's been working in the area for a while, he's also more likely to know about local building codes and customs, and where to get the best materials for the most competitive prices.

>> Supervision

Who's keeping an eye on my project? Someone has to coordinate and review the work of the subcontractors while it's going on, not afterward, when corrections may be impractical (and surely will be more expensive). Find out who will be the daily eyes on your job. That person should have the authority and willingness to resolve minor complaints, as well as be able to communicate effectively with you.

>> Permits

Will you obtain all necessary permits? If a contractor wants you to pull permits for any part of the job, it may cause problems down the line. Some towns require that the person who gets the permit is the one responsible for the work. Also, a handful of places, including New York City and North Carolina, have established funds to reimburse homeowner losses caused by faulty workmanship. The money may not be available if you pulled your own permit.

>> Collaboration

Have you worked with my architect before? Working with an architect calls for a level of cooperation that not every general contractor enjoys, especially if the architect is serving as a project manager. An established relationship between the two can help move the project along, whereas a frosty one can sink it.

>> Housekeeping

How will you protect my house and my family during construction? If the roof has to be removed to add a second story, exposed rooms must be protected from the weather. What would you rather hear: "We'll throw a tarp over it" or "We'll use 6-mil reinforced sheeting supported on a temporary framework and secure the tarp with battens nailed to the edge of the roof"?

>> Change Orders

What happens if I change my mind about something? All the details that looked so great on paper might not look as good when the project begins to take shape. Conscientious builders use written change orders to manage the process. The order describes the change and what it will cost, and both you and the builder sign it. Be wary of anyone who says, "We usually just figure it all out at the end."

>> Liability

Do you carry liability insurance and worker's compensation insurance? If a worker is injured on your job, he or she should be covered by the contractor's insurance, not your homeowner's policy. Check with state or local authorities and find out what the minimum coverage's are. Ask to see proof of insurance, such as a certificate with a current date. If you have any doubts, check with the carrier directly to see if the policy is in force.

>> Warranty

Do you guarantee your workmanship? Some builders consider themselves done after the final inspection. Others will come back to take care of any problems that crop up in the months following completion. You can also specify a time period for minor follow-up repairs in the contract.

>> Contact

How can I reach you? If you notice a problem, the best chance to resolve it is to contact the builder immediately. If the

builder isn't on site every day, will you end up leaving message after message on his voicemail? Find out if he's reachable by cell phone. And after your first meeting, try the number to thank him for the visit — and to double-check that it works.

What to Do If Things Go Wrong

Many "problems" are simply misunderstandings that can be resolved through discussion. If that doesn't work, put your concerns in writing and ask the contractor for a written response. Consult your contract. A good contract will not only specify materials and standards for workmanship but will also note how disputes should be handled — for instance, by an independent mediator or through a more formal process of binding arbitration. If no dispute resolution method is spelled out, contact the local contractor licensing authority and ask about filing a formal complaint.

NEW CONSTRUCTION

From page 2

construction inspections some reasons heard for not enlisting the help of an independent home inspector are:

The local building official is inspecting the home

As previously stated these inspectors look for code compliance, not quality. They are in the home only briefly during different phases of the construction. Do they miss things? Yes they do and no they are not *usually* held accountable for their mistakes. Also they are municipal employees and are not directly responsible to the persons buying the home. In other words they won't contact the buyer if there are problems. They simply instruct the builder to correct the issues and move on to the next home.

Cost

It's always about the money and for good reason. Costs can escalate quickly when building a new home. Buyers often want upgrades and these push up costs. So hiring an independent inspector can be an expense that is hard to justify. After all they believe the city building official is inspecting the home.

The builder has a good reputation

He may, but how do you know. Many

Please see **New** / page 4

NEW CONSTRUCTION

From page 3

people do not research the builder before signing on with them to build their home. This may be even truer when purchasing the home through a third party such as Realtor. Get references and check them before signing a contract.

It is also important to understand specifically what the builders' job is. He generally is the person who manages the entire construction process. He must hire and coordinate many sub-contractors to install the vast amount of components that make up a house. This can be an overwhelming task for just one home, but if he is building several homes at once it can be nearly impossible to effectively manage.

It's a new house; there should be nothing wrong (Very likely the biggest misconception related to new homes)

If you have ever bought an item, taken it home and it broke the first time you used it then the absurdness of this statement should be glaringly apparent. But never the less many people who have a home built believe because it is new and there is a *one year* builders warranty there will be no problems.

A house is a complex structure containing many different systems that must all function correctly and in harmony. It is built over the course of several months by many different people. Assuredly there are going to be problems and most often they are minor or cosmetic. But there are those occasional big problems that can make the home barely habitable or in extreme cases uninhabitable.

Was not aware that an outside inspector could be hired

When paying hundreds of thousands of dollars to have a home built, you are certainly entitled to have whom every you choose oversee the process. If you meet resistance to bringing in an outside inspector, this should be a red flag that something could potentially be wrong.

But why is it important to hire an independent inspector to look after the project?

Very simply quality control. If the construction company in charge of building your home knows that the



Can you tell what's wrong in this picture?

No, then if this is your home you may be in for some big problems later. Notice that the exterior block and plywood walls have not been water proofed. Block walls should be "parged" over with concrete or mastic and the plywood should be covered with building wrap. The purpose of these covering is to act as a drainage plane.

customer has hired an independent, knowledgeable inspector to oversee the build, they are very likely to be more diligent in their quality of work. The psychological effect can be just as influential as the actual physical inspections.

Home inspectors and home builders encompass similar knowledge of home construction. However home inspectors are formally trained individuals who are licensed and consequently must also attend a specific amount of continuing education for license renewal. Home builders are not licensed, only *registered*, and therefore are not required to be formally trained or attend continuing education. They must only pay a yearly fee to remain registered and in business.

This is also true of the majority of contractors who perform work on a new or existing home. The term Home Improvement Contractor is a catch all category for companies that do any type of improvement work on homes. For example carpenters who frame the home fall into this category, as do roofers, foundation contractors, sheet rockers, flooring installers and many other individual companies that are part of putting a house together.

Another important aspect of the home inspectors experience is they view all types and ages of homes. They see the results of poor construction practices and understand better than anyone the

consequences of inferior workmanship. It's an important and unique perspective that no other profession can claim.

Finally a hired independent home inspector works for and reports directly to you. He is your advocate and can be an invaluable asset during the building of your new home.

Before you buy a new home

Consumer groups advise protecting your rights by taking these steps:

- Research your builder thoroughly before signing any agreements.
- Consider hiring a real estate lawyer to negotiate your contract. There is no better time to negotiate than before you buy.
- To protect your right to sue, strike any requirement that disputes will go to binding arbitration.
- Ask for the names of subcontractors building your home. Investigate their work before you buy.
- Hire a professional inspector to examine your home during construction. Point out flaws that can be fixed before you move in.
- Discuss your warranty thoroughly with the builder. Put everything in writing.
- Leave a paper trail. Send all correspondence to the builder by certified mail, return receipt requested.

NEW HOMES NEED MANY FIXES

From page 2

are about to buy: when the framing is complete; when the tile is installed; two weeks before the home is finished; and a final walk-through. Only 50 percent of the company's customers bother to inspect homes, said Reid Gustafson, president of Shea Homes Northern California.

Considering a home's cost and the many systems that can go wrong, that's alarming consumer behavior say the experts. Older houses have had time to yield telltale red flags, but new homes haven't stood the test of time. Unless someone examines the construction in progress, while the builders are still on the site and can expedite necessary repairs, defects often go unnoticed until the deal is closed. By then builders have moved on to the next development and, too often, customer service - also plagued by a shortage of good help - becomes the only link to a solution.

Defects could remain hidden for years.

"Then, it's like looking for broken bones without an X-ray machine," said Ned Van Valkenburgh, head of the new non-profit California Center for Quality Home Construction in Capitola.

"A really qualified inspector is pretty expensive, but if home buyers were organized, they could share the expense," said Van Valkenburgh, who founded the volunteer-staffed center earlier this year after hearing an increasing number of "a varieties of horror stories."

Some consumers also believe inspections should be the job of public building inspectors from the development jurisdictions. Forget about it. Building inspectors are looking for code compliance problems, and they don't always catch them.

"The city is responsible for inspecting a house, but only up to a point," says Norm Allen, Gilroy's director of community development. "Occasionally, we'll miss something and we'll go back to the developers to get them to try to fix it. We inspect the functionality of things. We don't look that close at what's called 'fit and finish'," or cosmetic defects.

In Scotts Valley's Sky Park community,

new home buyers found scores of cosmetic "fit and finish" defects - as many as 68 in one home - and became so irate that they asked the town's city council to intercede. Kaufman & Broad later fired a construction supervisor and customer service representative for not living up to the company 5 ideals.

"The building industry hasn't reached that level of perfection yet. A home has thousands of pieces. Obviously, stuff will go wrong," says Alan Fields, who along with Denise Fields wrote "Your New House" (Publishers Group West, \$13.95), a handbook for new home buyers.

Alan Fields says buyers' perception that all is well is because those who find problems aren't apt to talk about them. Several buyers interviewed for this story later asked that their names not be used. After several months of wrangling with builders, they had finally received service and didn't want to raise the builders' hackles.

"One of every three new homes has serious problems - code violations or something that was definitely not built to plans. Builders will say only 1 or 2 percent. My feeling is that this problem is largely hidden. When you buy a new home that's a lemon, you've got your life savings in this and you are not likely to advertise it," said Fields.

Private home inspectors agree with city inspectors. They say the few new homes they do inspect yield primarily cosmetic problems that are found nationwide in all types of new homes.

To prepare a case against the builder, Sudol and several other homeowners hired Monterey, Calif.-based home inspector Allan Lewis, co-founder of the San Jose chapter of the American Home Inspection Society.

Lewis said there were some claims the builder should have addressed in a more timely manner, but what he found didn't lead him to believe the builder was any worse than any other new home developer.

"Individuals have a certain quality perception because they've never had a professional to teach them what it's really like. The detailing may not have been the highest, but it had nothing to do with anything that would fail. What I

found would have very little value in a lawsuit. It was mostly cosmetic," Lewis said.

Tell that to homeowners fuming over as many as 60 or more "cosmetic" defects in a home, or to the homeowner who can't use the toilet in a new \$360,000 condo, or to the buyer who can't move into his new house because the streets don't work.

If technology exists to put a scooter on Mars, why can't homebuilders build better homes? "The builder takes on too much work; they don't take on quality crews. It's like a team using the third or fourth string in a pre-season game. In boom times, people are in a hurry to buy. It's a recipe for disaster," says Fields.

10 Uses for Soap

Humble it may be, but soap does more than clean up your hands at the end of the day

To chemists, it's what you get when you boil down the sodium salts of fatty acids. To us, it's just soap, known mostly for removing dirt from grimy hands. But with a little creative repurposing, soap — in both its bar and liquid form — can simplify a bunch of DIY projects.

Use soap to:

1. Drive nails easier with less risk of splitting the wood, by first rubbing it on the nail shank.
2. Smooth caulk beads with a moistened finger.
3. Remove wallpaper glue by mixing with warm water and sponging it on the walls.
4. Lubricate the metal rails of sticking desk drawers.
5. Clean dirty windowsills by running the wet edge of a bar along them.
6. Turn screws more easily by dabbing it onto the threads.
7. Keep garden bugs off plant leaves by mixing it with water and spraying the solution on the leaves' undersides.
8. Cut a straighter line with a handsaw by coating the blade with it.
9. Detect gas leaks by mixing it with water and rubbing it on suspect pipe joints; if bubbles form, you have a problem.
10. Snap aluminum or vinyl siding into place easier with a zip tool that's been dapped with the liquid.