

Condo Smarts

Headline: Contract Lures

Topic: Contracts

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Dear Condo Smarts: Our small apartment building in False Creek had an engineering study completed three years ago. The trigger was a number of leaks from decks into the units below. The cost of the repairs to remove the pavers, seal the decks and replace the materials was going to cost around \$15,000 per unit. The owners voted down the repair citing that it was too expensive and a Cadillac repair. We ended up hiring an envelope maintenance company that proposed they could do the work for under \$3,500 per unit and "re and re" the deck surfaces. Considering it was the only option that the owners would consider, we decided to go for it. That was two years ago. We have just discovered the leaks are back, there was no warranty of any sort and that the waterproof membranes under the pavers were never replaced. Basically we were lured by a cheap solution and a promise that the problem could be solved with a simple "re and re." Turns out that "re and re" simply means remove and replace, not actually fix the problem. Now we're back to a \$15,000 repair per unit along with additional damages to four of the lower units. We are struggling over who pays for the drywall, insulation and carpet damages to the three units?
Karin L.

Dear Karin: To define who pays for the damages requires an understanding of the cause. Similar to a roof, if there has been maintenance and repairs, you may actually have a valid insurance claim for the restoration. If the result is neglected maintenance or repairs, the strata corporation is likely going to end up paying for the restoration to the homes, and in some cases where the strata corporation willingly neglects their obligations, it may also include betterments to a strata lot, such as hard wood flooring or other improvement. The failure of external leaks is usually not the fault of the strata lot owner but that of the strata corporation for failing to properly address the maintenance and repairs of the common property.

The lure of a cheap quick job always comes back to haunt home owners. A common omission of home owners is to make assumptions that the problems will be solved simply re-doing the effected areas, and the cause(s) of the problems such as poor design, material use, deferred maintenance or sub-standard construction are ignored. "Re and Re" has to be the most abused phrase in the construction industry and rarely does anyone know what it really means. It omits all of the secondary issues such as: replacement of damaged surfaces, redesign, demolition, disposal, change in products, compatibility of products, resultant damages to adjacent components, interfacing with other building designs and materials, and even the general use and appearance of the building component. The purpose of competently engineering the repair is to ensure all of those factors are met, and that the problem is solved. Even the proper sequencing of construction is addressed by the appropriate assessment of the problem and good design. For example, a new balcony rail installed a year after the membrane is complete may result in unnecessary damage to the newly installed surface and new holes that can lead to leaks. All of the fore mentioned issues are addressed in an engineered process to ensure that the underlying causes are resolved and the appropriate repairs are detailed. This is also extremely beneficial for the consumer because it creates a published document that provides a clear scope of work for contractors. They in turn can provide accurate proposals and pricing based on the detailed scope of repairs. Don't fall for undefined terms, verbal quotes or vague or misleading contracts. They are a license to print money for contractors. The \$65,000 cheap option for Karin's strata has now resulted in a construction budget of \$766,000, including \$2,500 for a legal review on the contracts.

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