Good and Bad Builders Identified

By Jeffrey P. Kerrane, Esq.

Although many home builders do not want to admit it, customer service is one of the most important measures of a good builder. Most homeowners involved in a construction defect law-suit were originally pleased with their new home. They were attracted to the neighborhood, the floor plan, the amenities, and the perks that came with their new home. They were even comfortable with the reputation of their builder. Most homeowners say that they did not expect that their home would be built perfectly.



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What they do expect, however, is good customer service. Homeowners expect that when something goes wrong early on with their new home, the builder will fix the problem. A home is usually the largest investment that a family makes, and consequently, homeowners expect to be treated well if problems arise with their home.

When builders fail to fix problems promptly and correctly, when they insist that a defect is not covered by their limited warranty, or when they stop returning phone calls, homeowners feel mistreated. It is at this point that homeowners often seek legal help and consider taking action against their builder.

Recently, J.D. Power released its 2005 customer satisfaction survey for Denver area homebuilders. J.D. Power's ratings are based on customer opinions of their builder's quality of workmanship and materials, price and value, and home design. Customer service plays a key role in the customers' opinions in these areas. A homeowner who buys a home with defects the builder refuses to fix will not feel that the home was a good value for the price, or that it was built with high quality workmanship and materials. Accord-



ing to J.D. Power, the construction manager is a driver of overall customer satisfaction. This factor reflects the increasingly visible role construction managers have in the building process. The study found that construction managers are nearly as important in creating satisfied customers as the builder's sales staff.

In their 2005 survey for the Denver area, Shea, Centex, John Laing, Keller, and Oakwood received the highest ratings. The lowest ratings in customer satisfaction were given to Beazer, D.R. Horton, Melody, Richmond American, Standard Pacific, and Trimark Communities, which all ranked below average across the board.

Builders that provide lower levels of customer satisfaction are inherently more likely to be named as defendants in construction defect lawsuits. Contrary to what some builders claim, homeowners typically only seek legal assistance on construction defect matters as a last resort, after other efforts to resolve the issue with their builder have failed. Better builders are aware of this fact and not only institute higher levels of quality control in the construction process, but also place higher levels of importance on customer service after the sale is complete.

Interestingly, J.D. Power reports San Diego-generally considered the "epicenter" of construction defect litigation-is one of the three markets that experienced the highest level of increase in customer satisfaction. The improved customer satisfaction in San Diego has come, at least in part, as a result of homeowners in that area demanding it.

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