Case Study

Construction Defects
Custom Single Family Residence with Leaks

The Problem

The project was a custom single family residence designed and built for the Owners by a famous Design-Builder. The home was located near the sea, had 6 bedrooms, 8.5 bathrooms, a total of 11,500 square feet of living area on a 21,000 square foot lot, plus a large and ornate porte-cochère on the front elevation, and a similarly ornate exterior deck on the back elevation that included a tile walking surface that was entirely exposed to the elements. Although the home had been listed for sale three times for $15 million, the home-value websites valued it at $7 million. The famous Design-Builder was being sued by the Owner for $1.2 million in defective construction including 45 discrete issues. The most expensive issues related to leakage and damage at both the front elevation decorative cast stone (precast concrete) porte-cochère and back elevation deck; and poor performance of the extensive retaining walls that were a mix of cast-in-place concrete and concrete masonry unit (CMU) construction.

The Solution

The Defense Attorney for the Design-Builder originally hired an Expert who was soon overwhelmed by the complexity of the Owner's allegations, and unable to convince trade contractors to participate in a reasonable settlement. That expert was sidelined and we were hired to investigate and assess the claims; figure out who did what by analyzing the large project file; allocate costs and portions of responsibility to the applicable parties; compile and present the evidence of our analysis to convince the Owners to accept a more reasonable settlement, and convince the trade contractors to accept responsibility for their part in the failures. In the end, trial was averted when all trade contractors settled for reasonable sums, even though there were a couple hold outs until the bitter end. The potential exposure to those parties, that we made clear in our analysis and documents, plus cost of trial, made settlement a wise business decision.

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