

Construction Defects

Self-Storage with Lots of Leaks

The Problem

This project is a 3-building commercial development built by a General Contractor for the Original Owner for approximately \$10 million. Buildings A and B are retail buildings totaling 6,500 square feet (SF) and C is a self-storage facility that includes a 33,445 SF below grade basement and three above ground levels totaling 129,000 SF. The property was foreclosed upon and sold to the Current Owner. The Current Owner made a claim for construction defects and damage. The total repair estimate was \$1.4 million that included \$600,000 in past repairs, and the settlement demand was \$4 million. There were almost 50 discrete allegations. Some of the allegations we eventually categorized as call-back and maintenance issues like gate operation problems and doors requiring adjustment. Other problems included poor workmanship at the roof and exterior building walls; ADA compliance problems; landscape, site concrete and drainage defects; etc. Most of the cost to repair was related to groundwater intrusion, past the below-grade waterproofing, causing significant damage and rendering the basement unusable.

The Solution

We were hired by the General Contractor's Attorney to lead a team of Specialty Experts to investigate and evaluate the claims by the Owner's Attorney and Experts. We gathered, organized, and summarized a large volume of project information; interviewed key people; inspected the property; analyzed the allegations issue-by-issue; fixed sloppy work from the Owner's Attorney and Expert; figured out what trade contractors performed what work onsite; allocated responsibility for those defects and resulting damage that was legitimate; analyzed testimony; compiled and presented 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. The hardest part was translating the technical speak of building design, engineering, estimating, contracting, construction, and investigations, into plain-English and graphic-intensive work product that everyone could understand and use to make smart decisions; especially the attorneys and insurance professionals.



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