

Common Defects in New Home Construction

**A List of Common Defects in New Homes
Experienced by Homeowners**



Prepared by

**Homeowners Against Deficient Dwellings
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to this report.*

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Purpose of this List

This compilation of common defects in new homes was created from input by homeowners, research of news articles, and review of complaints from various agencies. This list should be used to help identify possible causes of these common defects and to encourage better building policies. It is disturbing that after decades of building homes; the home building industry continues to condone the underlining causes of these common defects. It would seem that after this much time the root cause of these problems would have been addressed and the defects prevented.

Many defects are caused by underlying problems, for instance, a crack in the tile could be a symptom of a much more serious problem, caused by foundation movement and possibly incorrect installation of the tile. And many defects happen outside of the warranty timeframe. Again, cracked tile is a good example. Most of the popular warranties only cover cracked tile if it was noticed PRIOR to move in, yet a foundation can settle over a period of years causing the cracks to appear.

This document attempts to identify the different defects commonly reported by homeowners HADD has been in contact with. Because of the complexity of homes and contracts this list should not be considered a litmus test for defects. This document does not attempt to document every defect known to the builders, but instead identifies the common defects that have been reported to HADD and via the media.

This report references new home warranties with the Homebuyers Warranty (HBW) or 2-10 warranty being used as an example. The HBW is very similar to other common warranties. The reader is urged to read “New Home Warranties. Protection or Deception?” available for free download at www.hadd.com.

Limited Warranties and Inadequate Performance Standards

In 1989 Texas passed the Residential Construction Liability Act (RCLA pronounced wreck-la) as the first right to repair law in the country. RCLA at the time was touted as the panacea to a “rush to the court house” and new home construction defects. Since then many states are now passing their form of RCLA using Texas as a shining example of good legislation.

Unfortunately, while states are passing their own RCLA’s, Texas in 2003 has passed yet another shining example of good legislation, the Texas Residential Construction Commission (TRCC) because of the complete failure of the original shining example, RCLA.

The overwhelming influence of the building industry has now created a Commission that will create performance standards and warranty standards. This is now being touted as the new model of legislation by the building industry. It is feared that the extremely limited new home warranties such as the HBW or the Residential Warranty Corporation warranty will be adopted as a standard for the state. Many of the defects identified in this document are not covered by these warranties or any performance standards such as the

standards created by the National Association of Homebuilders. It is hoped that the Commission will research the common defects in new home construction and create standards to prevent the defects instead of relying upon and adopting the extremely limited new home warranties such as the HBW. Since this legislation is being touted as model legislation, other states in the country should be aware of its decisions in the near future.

Contractual Obligations

The following is a brief description of common contractual problems with homebuilders. These issues can halt the construction of a home, indefinitely delay the closing, or delay the resolution of a defect. There are no industry standards to address these types of problems.

- β **Builder does not follow up on walkthrough items.** After the walkthrough homeowners expect the walkthrough items to be repaired in a timely manner. Many times the builder will dispute the defects noted on the list and will refuse to repair. It becomes much harder to have the defects addressed once the homeowners has accepted the home.
- β **Builder is not building home to specifications.** Many times the home is not being built to the agreed upon specifications resulting in a halt in the work.
- β **Builder will not refund earnest money or down payment.** If the builder does not resolve defects or contractual problems prior to closing, the homeowners will back out of the home and they expect to receive their down payment back. Many times builders will not provide the payment or will provide a reduced payment.
- β **Builder will not honor warranty.** This is a common problem. The builder just refuses to honor the warranty.
- β **Builder will not live to advertisements.** As an example, a builder in Houston, TX advertised guaranteed electricity bills based upon their energy efficiency homes. When the bills were excessive, the builder did not honor the guarantee. The homeowners are now in a very long process of trying to resolve the problem.
- β **Builder(s) abandons the subdivision without finishing promised amenities.** Promised golf courses, and other amenities are not completed.
- β **Non-disclosure of known defects.** Defects in model homes with known problems, or homes that were refused by a homebuyer due to defects, were not disclosed to the subsequent buyer.
- β **Inspections not performed.** Inspections by officials or by the builders were not completed or verified resulting in homes with code violations or not built to industry standards.
- β **Home not completed by closing, outstanding defects.** Homebuyers are asked to “trust” the builder in an attempt to close the home before completion. If any defects arise, it becomes very difficult to resolve them after closing.
- β **Homes built upon land not suitable for occupation.** Homes built upon known toxic dumps (Brio Site Friendswood TX) or upon land with high water content (San Antonio) or upon known target bombing ranges (Dallas) or upon lead contaminated ground from an old sheet shooting range. (Ryland Homes)

- β **Non-Disclosure of future use of surrounding land.** Homeowners are surprised when adjacent property is used for other purposes such as a quarry instead of being open land.
- β **Workers begin repairs but never finish.**
- β **Workers break other components in the home while fixing the original defect.**
- β **Homeowner warranty demands arbitration against FHA rules.** Homeowners with an FHA mortgage are not required to agree to arbitration, yet the warrant company will attempt to force this upon the owner. This is resolved only if FHA is notified and contacts the warranty company.
- β **Builder refuses to fix code defects.** Builders do not respond to third party inspectors, which find code violations. Code violations are also exempt from most warranties.
- β **Builders put arbitration clauses in the contract even though it is an FHA/VA contract.**
- β **Home not built to windstorm codes.** Homes are built in windstorm areas, but not to the windstorm codes as dictated by the insurance commission.
- β **Home not built on correct property lines.** Homes have been built crossing a property line, most of time it is just a few feet, but nevertheless it is incorrect.
- β **Builder refuses to respond to complaints.** Builder refuses to respond to phone calls, emails, or mail.
- β **Builder withholds information.** Builders have withheld information concerning defects that they are aware of.
- β **Builder uses stalling tactics.** Builder will resort to inspections of the property followed by subsequent inspections by different people, then followed by different management teams and foreman. This drags the process out.
- β **Hidden charges in the contract.** Numerous hidden charges in the contract with most buyers having to incur thousands of dollars of unexpected charges.
- β **Home not completed on homeowners land.** This applies to homes built on a homeowner's lot. The home is not completed due to defects and the builder stops building. This is a problem because a buy back option is not feasible.
- β **Foremen are changed periodically.** Foremen are switched periodically causing a delay in resolving a defect.

Foundations

Foundation problems are by far some of the most common and most expensive to resolve. Unusual settlement of a foundation can cause problems ranging from doors and windows sticking to cracks in tile, brick, flooring, and more. Most warranties cover only "Major Structural Damage" or MSD, which requires the home to be unsafe or unlivable, before coverage will be initiated. This is a very extreme limitation especially since foundation repairs are generally very expensive. Even multiple cracks in the walls, floor and foundations under these extremely limited warranties are not covered.

- β **Settling and active soils.** Homebuilders and warranty companies use this as their first line of defense claiming the home is built on active soil and they cannot be responsible for the damage, yet many homes especially those in Texas are built on

- active soils and have no problems. Foundations move not because of the soils, but instead because of the lack of preparation of the soil or a defective foundation.
- β **Unreasonable maintenance.** After reviewing a foundation failure, the warranty and builder claims the foundation must be “maintained” with adequate watering. This is considered by FHA to be unreasonable. This is an unreasonable requirement since there are no specifications about the moisture content of the soil.
 - β **A Hot Foundation.** This is a foundation that is not allowed to cure correctly. It causes a weak slab and possible water intrusion into the house.
 - β **Cracked slab.** This causes cracks to other items in the house, tile, walls, windows, etc.
 - β **Inadequate Draining.** Water does not drain away from foundation. Many times the builder will install French drains to solve a foundation problem claiming the water was not draining properly. This is a reactive repair instead of a preventative measure.
 - β **Consequential damage.** Damage done to the home caused by a failed foundation including tile, interior walls, etc.
 - β **Wet foundations.** Leaks water under the flooring causing wet carpets, wet grout, mold
 - β **Foundation chipping.** The concrete of the foundation can be chipped off usually causing buckling of floor coverings and water intrusion.
 - β **Built not according to specifications.** Home is built without a brick ledge.
 - β **Non-engineered foundations.** Foundation design does not have an engineering approval causing a multitude of problems.
 - β **Post tension foundation failures.** Cables snap or are not tensioned. Cables are missing.
 - β **Ground not prepared correctly.** Soil not compacted. Soil not fit for foundations.
 - β **Organic material under foundation.** Trees, trash. Lot not cleaned prior to foundation being poured.
 - β **Built over a water-saturated area.** Homes have foundation problems due to a water source under the ground.

Other Concrete

This includes defects in other concrete areas. Usually the warranties will not address the defects unless they are found within the first year and the cracks are 1/4” wide causing very unsightly appearance.

- β **Cracks in sidewalk and driveway.** Cracks that exceed hairline and continue to grow.
- β **Sagging driveway and sidewalk.** Driveway sections sag.
- β **Angle of driveway too steep.** Driveway entrance is too steep causing cars to scrape.
- β **Cracks in garage floor.** Exceeding hairline width and continue to grow.
- β **Cracks continuing to grow.** Small cracks continue to grow in width and length.

Tile, Carpet, Flooring

This includes carpets, vinyl, hardwood floors and tile. Most of these defects are not covered in the warranty past the first year.

- β **Hardwood floor buckles.** Due to a number of reasons such as water, or bad wood.
- β **Hardwood floors rot.** Water from under the foundation or exterior.
- β **Hardwood floors discolors.** Reasons unknown.

- β **Carpet is wet.** Water from under the foundation or exterior.
- β **Carpet sags.** Causing tripping hazard. Limits life of carpets.
- β **Carpet seems noticeable.** Carpet seams should not be seen.
- β **Carpet discolors.** Color fades
- β **Carpet comes apart.** Comes apart from normal vacuuming.

- β **Tile cracks.** Hairline to larger.
- β **Tile comes loose.** Grout does not hold tile to the floor
- β **Tile grout is wet.** From water under the foundation or from exterior.

- β **Vinyl shrinks.** Baseboards exposed
- β **Vinyl bubbles.** Unknown cause.

Exterior

Includes exterior bricks, synthetic stucco, vinyl and siding. Many of the warranties include little if any protection for these items. Cracks in the exterior walls usually have to be 1/8" to 1/4" of an inch wide before it is considered a defect. Usually cracks are covered for only 1 year. The fact that it may be caused by a faulty foundation does not come into consideration.

- β **Bricks crack.** Cracks seen in the exterior bricks could be a sign of foundation movement
- β **Weep holes plugged.** Does not allow water to escape from the walls.
- β **Bricks fall off the home.** Due to foundation movement or grout.
- β **Grout is coming apart.** Due to incorrect mixture.

- β **EIFS Cracks.** Unnoticeable hairline cracks can cause water intrusion
- β **EIFS Leaks into wall cavity.** Could cause wood rot. Hard to identify and find.
- β **EIFS Rotting of structure.** Wood rot due to EIFS draining.
- β **EIFS Rot caused over the years.** This is a long-term event. The rot is caused by moisture build up within the walls. It takes time, sometimes years, to find.
- β **EIFS causes mold contamination.** The leaks in EIFS can cause mold contamination of a home.

- β **Siding installed incorrectly.** Not to specification. Voids the warranty.
- β **Siding Nails rust.** Voids the warranty. Could cause the siding to fall. Unsightly.

- β **Siding Inadequately chalked.** Voids warranty. Leaks into the home.
- **Vinyl siding fades.** Or discolors.
- **Vinyl siding comes off.** Due to high winds or incorrect installation.

Windows

The warranties usually do not address window defects and any that are covered, are only covered for one year.

- β **Leak from defective windows.** Windows leak from around the panes of glass.
- β **Leak from the bottom lip.** Windows leak from water buildup on the lip.
- β **Leak into wall.** Water leaks into the wall due to inadequate flashing, incorrect installation, defective windows or installation of alarm system.
- β **Glue in windows is defective.** Glue begins to fail. Panes fall out of frame.
- β **Windows do not perform to specifications or standards.** Windows do not meet the standard they are stamped with.
- β **Cannot open or close.** Windows do not operate.
- β **Cannot lock.** Windows shift to the point they do not lock.
- β **Condensation in between panes.** Seals are broken.
- β **Installed backwards.** Does not provide insulation due to the film inside of the window facing the wrong way.
- β **Leaks around the windows.** Windows not installed properly.
- β **Leaks into the wall.** No flashing. Incorrect installation.
- β **Windows are scratched.**
- β **Sills come apart.** Due to condensation on composite wood products.

Paint

Paint is rarely covered in any warranty, especially exterior. Many times the builders will blame the homeowner for lack of maintenance even during the first year. Builders have claimed that the homeowners must wash their entire home with a bleach/water solution every 6 months. Paint for cars are guaranteed for 5 years by law. Homes painted with a 15-year paint are not guaranteed at all. Homes painted by a third party are usually guaranteed for 5 years.

- β **Peeling.** Peeling of the paint due to incorrect preparation of the surface.
- β **Fading.** Paint fades due to weather.
- β **Discolored.** Paint discoloring due to weather.
- β **Water down paint.** Paint mixed with water to extend the use of the paint.

Roof

The roof is not considered a structural component of the home except for FHA homes. Roofs built by a third party are usually guaranteed for 5-10 years. Roofs built on a new home are rarely guaranteed for more than 1 year.

- β **Shingles fly off.** Shingles pull off during high winds. Insurance will not cover if installed incorrectly.
- β **No felt paper.** Incorrectly installed.
- β **Leaks.** Leaks from the roof into the interior of the home for various reasons.
- β **No flashing.** Leaks into wall cavity.
- β **No ventilation installed.** Hot attics and premature deterioration of roof.
- β **Incorrect support structure.** Incorrect trusses.
- β **Defective shingles.** Shingles, which decompose prematurely.
- β **Incorrect installation.** Incorrect installation of roof causing multiple problems.
- β **Shingles buckle.** Waves in the roof.

Plumbing

With the problems with mold contamination, plumbing should be high on the priority list to insure correct installation. Most warranties including the HBW only guarantee the plumbing for 1 year. Some of the leaks are slow to occur and are unnoticeable for a long time.

- β **Hot/Cold crossed.** Water is crossed into the tubs or sinks.
- β **Toilets overflow.** Overflow due to incorrect pipe width or incorrect installation.
- β **Toilets continue running.** Incorrect installation.
- β **Toilets leak into sub floor.** Causing mold and health risk.
- β **Shower pan leaks.** Causing damage to surrounding frame, wood rot, mold, and health risk, Unseen for long periods of time.
- β **Tile leaks into the wall.** Leaks behind the tiles into the wall cavity. Unseen for long periods of time.
- β **Cracks in tile.** Causing leaks into the wall, which will cause more swelling and more leaks.
- β **Drain clogged.** Will not drain adequately. Easily clogged.
- β **Sewer smell.** Coming from shower, toilet, or sink.
- β **Sink does not seal.** Causing leaks into cabinet.
- β **Faucets drips.** Broken seals.
- β **Pinhole leaks.** Leaks develop over years causing pinhole leaks into the wall cavity. This sometimes requires replumbing of the house at a very large price.
- β **Transition joints leak.** Transition joints within the walls leak.
- β **Nail in pipe.** Or nail driven next to a pipe causing a leak.
- β **Leaks behind the wall.** Causing a slow undetectable leak.
- β **Bangs when water is turned on.** Noisy pipes caused by water or by unsecured pipes.
- β **Excessive noise when running.** Reverberating through the house.
- β **Not insulated.** Possible freezing hazard.
- β **Plumbing in foundation not protected.** Causing expensive leaks after many years.
- β **Plumbing leak under foundation.** Causing foundation movement.
- β **Sewer leak under foundation.** Causing foundation movement.
- β **Water heater does not heat.** Cold water.

- β **Toilet not secured.** Moves or leaks into sub floor.

Air Conditioning and Heating

Air conditioning and heating is covered for only 2 years in most warranties like the HBW, yet when a new unit is installed a 5-10 year guarantee is normal. A/Cs on cars are guaranteed for at least 3 years.

- β **Fails to maintain cooling/heating difference.** Sometimes requires constant changing of dampers.
- β **Fails to cool adequately.** A/C undersized for house.
- β **Power surge.** Causes power drops when A/C kicks in.
- β **Trips breakers.** Breakers are tripped when A/C kicks in.
- β **Leaks into attic.** Air ducts not sealed.
- β **Loss of freon.** Freon should not leak. Loss of freon is a defect in the A/C
- β **Does not perform as advertised.** Heating and A/C bills are over what the builder guarantees with the Environment for Life program.
- β **Condensation on the coils.** Leaks into the walls.
- β **Drip pan leaks.** Causing leaks into the wall cavity.
- β **A/C unit does not drain.** Causes leaks.

Doors

This includes inside and outside doors. Doors are not covered in the warranties specifically.

- β **Not balanced.** Does not stay open.
- β **Will not close.** Does not close.
- β **Will not lock.** Will not line up with the plate.
- β **Will not open.** Sticks to frame due to foundation shifting or incorrect installation.
- β **Too much clearance.** Space between the bottom of the door and floor.
- β **Does not seal at threshold.** Water and air leaks.

Electrical

Electrical items are covered only for 2 years. It would seem that a component as important as electricity should be covered at the least for 5 years.

- β **Power surges** Causes flickering of lights.
- β **Breakers tripped.** Often tripping of breakers.
- β **Bulbs burn out on power up.** Often bulb burnout.
- β **GFCI breakers are not wired.** Incorrect wiring.
- β **Receptacles do not work.** No power.
- β **Switches do not work.** No power.
- β **Inadequate loading.** Over the entire house.
- β **GFCI breakers.** Often tripping of GFCI switches.
- β **Burning smell.**

Structural

This includes all non-foundations defects. Many of these are not covered in any warranty.

- β **Upper floor is slanted.** Causes a vertigo effect.
- β **Upper floor sags.** Not supported correctly.
- β **Wall buckles.** Stress from above.
- β **Exterior wall moves.** Actually will move if pushed. Brick walls also.
- β **Roof not supported.** Roof sags.
- β **Rafters too far apart.** Roof not supported correctly.
- β **Lumber size too small in the roof.** Could cause sagging.

Interior

Many of these are caused by other more serious defects. Many are also not covered in the warranties or the coverage is limited.

- β **Wall separates from ceiling.** Shifting foundation.
- β **Walls are not plumb.** Or out of square.
- β **Trim separates.** Separates from the wall.
- β **Stair banisters move.** Not secured correctly.
- β **Stairs are too steep.** Causing a tripping hazard.

Other

This is a set of miscellaneous defects.

- β **Mold growth.** Growth throughout the home from various causes.
- β **Outgassing of chemicals.** Outgassing of chemicals from various components of the home.
- β **Smoke drafts back into house.** Causes smoke damage.
- β **Water pools in the yard.** Yards are unusable.
- β **House built with defective products (Masonite).** Siding, plumbing, roofing materials many with recalls or lawsuits against them.
- β **Garage does not accommodate average size cars.** Cannot close garage or get out of the car once parked.
- β **No insulation.** Causes high utility bills.
- β **Gutters leak.** Causes wood rot.
- β **Gutters do not drain.** Causes overflow.
- β **Floors squeak.** Annoying.

Resources

The following are documents HADD has written. They can be found on our website at www.hadd.com/downloads.html. There is no charge for downloading them.

New Home Warranties. Deception or Protection? A report identifying extreme limitations and loopholes in new home warranties. The report analyzes the most popular warranties used by builders in the United States and highlights the limitations, exclusions, and unreasonable maintenance requirements common to each warranty. This is a must read for new homebuyers to understand what limited rights you will have after your purchase.

How to Resolve a New Home Construction Defect with a Homebuilder. A guide to help homeowners in the United States to resolve a defect with an uncooperative builder. Includes alternative dispute resolutions available and a description of the various complicated laws, which protect homebuilders. This was derived from the guide below.

The Abuse of Arbitration in New Home Contracts. A study on the use of mandatory binding arbitration in new home contracts. If you think arbitration is faster, cheaper, and better than our court system, then this is a must read! Know what Constitutional rights you could lose before you sign your contract for a new home.

Applying for Hardboard Siding Settlements A guide to help the millions of homeowners with defective siding claims and the application process. Learn how to identify the siding on your home and how to avoid costly and time consuming problems. This includes Masonite, LP, ABTco and more.

A Report on the Texas Mold Hearings. This report is on the first ever hearings on mold contamination held across Texas in the summer of 2001. It includes a discussion of mold types, causes of mold contamination and more.

Home Buyers'/Home Improvement Guide. How to Avoid Being Hammered When Buying a New Home or Remodeling. Before you buy a new home or contract to remodel, know your rights and how to avoid being hammered. This guide was created from the experiences of members of HADD. Don't make a mistake. Learn from ours!

Donate to HADD

This document was written to help potential homebuyers in Texas. The members of HADD use their own money and donate their own time to research and document helpful information.

Please consider a donation, whether \$10, \$20 or more, to HADD in order to continue providing such information.

Contact john.cobarruvias@hadd.com for more information.

About Homeowners Against Deficient Dwellings

Homeowners Against Deficient Dwellings, (HADD) a non-profit organization, came into existence in response to an overwhelming need of support and resolution from families who felt isolated while coping with their devastating home damages and loss. Because the lone attempts to get their homes fixed proved unsuccessful, these families started to find each other and united into a cohesive group with a common cause. It was while testifying before legislative committees in the Kansas State Capital that HADD emerged as a grass roots organization.

HADD is not an arbitration group, nor does it provide legal counsel. HADD offers support and suggestions to assist consumers in making educated, informed decisions when buying a home or resolving the complicated issues involving deficient homes.

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