



## **Builders Association Protects the Consumer**

In the past few years, the Golden Sands Home Builders Association, through the Wisconsin Builders Association, pressed for several changes in Wisconsin laws to protect families that buy new homes. As a result of these laws, the housing market continues to be a safer place for buyers. This article is a brief overview of those changes.

It starts with a building inspection

For over 20 years, homes were required to be built to a rigorous state building code. Unfortunately, homes built in rural areas did not need to be inspected to make sure they complied with that code. The overwhelming majority of new homes met the building code, and provided owners with a safe, quality house that will stand for decades. In those few cases where the code was not followed, however, the outcome was disastrous. Homeowners were left with a home that was decaying, outstanding loans that exceed the value of their property, and tens of thousands of dollars in repairs.

The Builders Association petitioned the Wisconsin State Legislature for a law requiring that all new homes, no matter where they are built, to be inspected during and upon completion of construction. That law went into effect January 1, 2006, and the results were immediate. Instead of crossing their fingers and hoping they chose the right contractor, owners can now rest assured that an independent state-licensed building inspector was checking the plumbing, electrical, and structural systems in their new homes.

Better education for better builders

Now that the most gaping hole in the consumer safety net has been filled, the Golden Sands Home Builders Association is moving forward to improve the skills and knowledge of the people who build homes. This year, the Association pressed for, and received, a change in the law to require all builders and remodelers to take continuing education courses. In many cases, where problems occur in the construction of a home, it is the result of ignorance rather than malice. A new builder, unfamiliar with Wisconsin building techniques and requirements, can make mistakes that cost the builder and the owner many thousands of dollars and hundreds of hours of misery. Under the new builder education law, first-time contractors must pass an examination demonstrating

that they have the basic skills to be a home builder. Existing contractors must continue to build on that knowledge base, with annual courses in building techniques and business management.

#### Notice and Right to Repair

Another new law passed with the support of the housing industry is the Notice and Right to Repair Act. This law helps builders and consumers avoid the expense of going to court to get problems resolved. In simple terms, notice and right to repair requires the owner to notify the builder if there is a problem, and requires the builder to respond by correcting the problem or offering a solution. If the builder doesn't respond within a statutory deadline, the owner can proceed to court immediately. A total of 28 states have adopted right to repair laws, and there has been an impressive reduction in the number and cost of lawsuits. At the same time, there has been an even more impressive increase in the speed at which homes are being repaired.

#### Looking ahead

The Golden Sands Home Builders Association will continue to look for ways to make the new home-buying process less frightening for consumers. In the near future, you will probably see Association-sponsored classes and internet web sites to help guide consumers through the home-building process. Classes to help builders improve their business practices are on the drawing board. And the list goes on.

Builders know that the best advertising is a satisfied customer, who tells friends, neighbors and relatives that their builder did a good job. Builders also know that a new home is the biggest investment most people will make in their lifetime. The Golden Sands Home Builders Association is always searching for ways to help their members do a better job protecting their customers.