

Westword Draws Attention to Effect of Construction Defects Suits

For several years, it was nearly impossible to sell a condo at the downtown Golden complex known as Millstone at Clear Creek. The reason was that the condo association was embroiled in construction defects litigation against the builder and its insurance company.

Those claims have been settled now, but until that happened, the only way to sell a condo at Millstone was to find cash buyers. That's because mortgage companies typically refuse to lend to a condo buyer when the HOA is involved in litigation — even as a complainant. The result is that the existing units can only be sold to cash buyers.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

When you realize that condos are one of the favored — i.e., most affordable — options for first-time home buyers, you can see why it would be important to reduce the number of such lawsuits. So far, the state legislature has been unsuccessful in dealing with this problem, and the result is that virtually no condo projects are being built currently.

Westword, the Denver arts and entertainment weekly, made this topic their cover story for their Sept. 5-11 issue, under the title "Design Flaw: Have Construction Lawsuits Killed Denver's Condo Industry, or Is That Just a Bill of Sale?" You can find the article and follow-up

blogs on this complex subject at www.Westword.com.

According to that very long and detailed article, virtually all multi-family construction has switched to the building of rental apartment buildings instead of condos. From a public policy standpoint, this is not good because home owners create a more stable and diverse community base than do apartment renters.

Here in Golden, we have two multi-family projects getting under way. Both of them would have been condos in the past but both are to be rental apartments. The developers will tell you that it's just too risky to build condos because of the threat of construction defect claims.

In many cases there are very serious defects, and the HOA will search out a contingency law firm — there

are three big ones in the metro area, one of them two blocks from Millstone in downtown Golden.

These firms operate on the same basis as personal injury lawyers — no upfront charge for anything, and the law firm keeps one-third of any award plus all expenses, which can bring the net down to half the final award or even less.

If an HOA doesn't seek out a construction defects law firm, it will probably get cold calls (after the HOA is set loose from the builder who controls it initially) from such firms asking, "Do you have any problems with leaks or other defects? We can send in some inspectors *at no cost to you* and see whether you might have a claim. We are very successful at getting money for construction defects. What do you say?"

This Week's Featured Listings from Golden Real Estate

2100 Iris Street, Lakewood

You'll love the one-of-a-kind, magnificent open floor plan of this 3-bedroom, 5-bath custom-built home with its 4,000 finished sq.ft., top-of-the-line design, décor and construction. The 17' x



\$574,900

Take a Narrated Video Tour at:

www.LakewoodHome.info

27' gourmet kitchen has granite tiles and a 6-burner Thermador gas cooktop. In addition to the 14'x28' master bedroom upstairs, there is a second 14'x20' master bedroom on the main floor. The 21'x21' loft offers scenic views, making a great home office or play area. The ready-to-finish basement is framed and plumbed for a second kitchen, another bedroom and home theater or den -- there is already a full bath. Other features include slate and bamboo floors, a wood-burning stove, solar-ready construction, newer roof and energy efficient windows, Rinnai hot water heater, covered porch, 3-car garage, and two sheds. From this prime location in the Morse Park area, you can walk or bike to Crown Hill park and nature preserve, RTD light rail, Whitlock Rec Center, Morse Park (tennis/pool), and Lakewood's main library. You're just minutes by car from Belmar, Colorado Mills, Golden and downtown Denver. There are no covenants, so bring your RV, boat

and other toys! Priced to sell, this exquisite home won't last long! Take a narrated video tour of it (simulating a showing) at www.LakewoodHome.info then call me for a real-life showing! This home is not quite ready for showing, but call now anyway so you can be among the first to see it! Remember, if you buy this or any Golden Real Estate listing, you get free use of our moving truck & free moving boxes!



\$369,000

Take a Narrated Video Tour at:

www.ConiferHome.info

31041 Halimand Dr., Conifer

Endless possibilities with this south facing 3,634 square foot rustic home. Great access to Hwy 285 and an easy driveway. It features a 3-BR, 2-bath main house as well as a mother-in-law style apart-

ment or guest suite that has 2 bedrooms and 1 bath above the garage. There is a very bright solarium added in 1996 which has a kitchenette, full bath, and is perfect for an office/studio/workshop or entertaining. It is situated away from the main home and has special glass and skylight screen to prevent the sun room from getting too hot. The wrap around decks showcase beautiful rock outcroppings.



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