

## HOW CAN ADDITIONAL COSTS BE JUSTIFIED?

Presuming additional costs are involved, the most obvious answer to cost justification is to convince the owner it's worth the additional expense. This presentation should be evidence enough that such an endeavor is worthwhile. The value of the completed residential unit is higher, plain and simple.

Some homebuilders have had to face financial hardship because of deficiencies as described above. They need little convincing of the justification of the above noted proposed additional costs. Other homebuilders have been astute enough to realize that a little up front investment in the basic foundation building units makes life a whole lot easier in the long run.

Engineering investigations dealing with multiple insurance claims in home defects that have resulted from plumbing leaks and accidental occurrences such as floods and storms have shown that the quality of construction has significant impact on the extent of damage once the incident has occurred. A well built home is much more resistant to damage from leaks and incidents than a poorly built home.

Our own experience has indicated that much of the current home insurance crisis stems from high costs of repairs due largely to inherent defects in homes that were constructed poorly or without regard for environmental stress on the structure.

Perhaps the insurance industry will begin to realize that insurance claim costs can be related directly to the quality of the structural unit. If this come about, then quality issues in home construction shall become part of the development of home insurance policy. The builder who is accustomed to quality construction and documentation of that construction shall be much more adequately placed than the builder who is forced into quality by the insurance industry.

Eventually, the insurance industry may recognize that policy premiums can be tied to the quality of construction. Should the insurance rate be reduced for a well documented home quality construction procedure, then the additional efforts required in quality home construction can be balanced out by lowered home insurance policies.