



CONDOMINIUM LIABILITY REFORM

WHY REFORM IS NEEDED

Our region is experiencing a shortage of condominiums being built and sold, especially those at an affordable price point. The Washington Condominium Act makes it easy for condo owners to sue builders for any type of construction defects, even minor deviations from the building code. The inherent risk of condo defect litigation substantially increases the cost of building condos (high lending and insurance costs), which is effectively passed onto the consumer.

The result of current condo liability is that nearly everyone is afraid to work with condos – developers, lenders, architects, contractors, and attorneys. Condos provide unique homeownership opportunities, especially for first-time and downsizing home buyers. Reform is necessary to encourage condo construction and provide a vital type of housing to the community.

POTENTIAL SOLUTION

We need state-level reform of the Washington Condominium Act, including:

- Better definition of what constitutes a construction defect that can result in litigation
- Reasonable caps to potential damages and/or attorney's fees
- Better standards for binding arbitration and higher standards for taking a claim to trial after arbitration has been attempted
- Allowing developers to repair damages rather than requiring just financial restitution

WHAT YOU CAN DO

Start local! Contact your city council and request that they pass a resolution in support of condominium liability reform **OR** sign on to a regional letter of support before the start of the legislative session – show that condos matter to us!

WHY CONDOS ARE IMPORTANT

Condo owners are frequently more racially, economically and generationally diverse than single family home owners.



In cities with limited condo liability, like Vancouver, most condos cost 1/3rd-1/5th the price of typical single-family homes.



Even with WA liability as it is currently, the few Seattle condos that are being built only cost 2/3rds as much as single family homes.



Condos are green options for homeownership! Someone living in a typical single-family home will use around 3 times more energy than someone in a condo near public transportation.



Condos promote density! Density is critical for a region's economic development, productivity and income and wage rates.

