ali and Jose Quinones paid Centex Homes $183,000 to build their home, the place where they sleep, cook their meals, watch television, go swimming in the backyard pool.

It is their most prized and expensive possession.

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The Quinoneses moved into their "unit" during August 2001. They subsequently discovered a leaky window and door that resulted in mold in the front room, cracks in the exterior stucco walls and swimming pool deck, and circular imprints in the garage floor from buckets left on wet concrete.

"This is the poorest quality," Bali Quinones said.

The Quinoneses' home in south Orange County is typical of the 18 Centex-built houses inspected by the Orlando Sentinel and WESH-NewsChannel 2 during a yearlong investigation into the quality of new-home construction in Central Florida.

Centex, which refused repeated requests for interviews or comment, averaged more problems per house — 9.2 — than any of the other major production, or tract, builders in the survey of 406 randomly selected homes built during 2001. It is the first statistically valid study done of new-home construction in Florida and likely the nation.

Spokesman: Errors minor or due to poor maintenance

Top builders downplay homes' flaws

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Orlando Sentinel's Orlando Sentinel Reprint

east and West United States, is owned by George Wimpey PLC, a home builder based in the United Kingdom. Morrison built almost 3,200 homes last year, earning a profit of more than $80 million for Wimpey, its annual report shows.

The other major production builders in the survey — Engle, Maronda, David Weekley and Pringle — are privately held, meaning they do not have to reveal financial data or the number of houses they built.

There's little doubt they are making money, though. The entire industry, Weaver said, is doing well, particularly in strong-growth areas such as greater Orlando.

Workers hard to find

That success has resulted in a building boom never before seen in the area. There's so much work that builders constantly complain about the scarcity of skilled labor, about 50,000 people work in residential construction Central Florida, as many as 400 jobs go unfilled per day.

Many of the workers literally are recruited off the streets and learn on the job, builders concede. And that, critics say, leads to poor workmanship. But because of another profit center for production builders — mortgage loans — buyers lose a key bit of leverage to force repairs.

Homeowners interviewed by the Sentinel and WESH often complained about the reluctance of builders to repair flaws after they moved in. To avoid that, real-estate attorneys recommend holding money back at closing and releasing it only when the faults are corrected.

But many new homeowners finance their production homes through subsidiary companies of the production builders and must close on the entire loan when the house is ready for occupancy, regardless of whether they are satisfied. Annual reports show that financing mortgages is becoming a big business for the builders.

Centex made 85,000 loans totaling $14 billion during the past year, including new as well as refinanced mortgages. Its financing arm earned profits of $161 million.

Lennar made $6 billion in loans last year. It did not break out the profit margin.

Ryland closed on more than 10,000 loans last year worth $1.85 billion but did not disclose profits. M.I. Homes made more than 3,300 loans and resold them to mortgage brokers, posting profits of $10.5 million. Wimpey did not disclose mortgage profits for Morrison.

Shortcuts common

The big money, though, remains in the sale of the house. And to keep profits up and costs down, production builders keep a tight rein on labor costs.

The builders typically have small full-time staffs consisting of office help, salespeople and several superintendents to watch over the work of the subcontractors who actually pour the concrete, lay the block, install the wood framing and generally build the house.

Those supervisors, subcontractors complain, continually push them to work faster in an effort to complete the house and move on to the next.

"There's a lot of shortcuts going on out there," said Richard Taylor, a veteran framing subcontractor who stopped working for tract builders because the pay was too low and the pace too fast.

The constant emphasis on production causes many more-experienced, higher-quality contractors such as Taylor to work for smaller, custom builders or commercial and industrial contractors.

Scott Welker, who owns an electrical company that works in Orange, Seminole and Lake counties, said the production builders offer him an average of 20 percent less than commercial or custom builders. The only way to make money on new homes, Welker said, is to work rapidly, greatly increasing the probability of mistakes.

"You've got quality and price and speed. Which two of the three do you like?" said Welker, who concentrates on commercial and industrial contracts.

Bali Quinones, meanwhile, is not happy with her 2-year-old Centex home. The 55-year-old homemaker said she complained from the start about what she perceived to be the slipshod way workers were building her house, but the workers and the Centex supervisor ignored her. They told her, she said, that her complaints were unfounded.

Looking at a new crack that has developed in the decking around her pool, she said, "It's pretty upsetting."
Homeowners eager to talk about flaws

By DAN TRACY
SENTINEL STAFF WRITER

Todd Awada leans against the island counter in the kitchen of his $236,000 house and it moves with him — because it is not anchored to the floor.

This is in the kitchen that still lacks a ventilation fan, amid rooms with crooked walls, under a wavy roof.

Walking into a bathroom, Awada points to the wall next to the commode. There's no toilet-paper dispenser.

"This really bothers me," he said.

Awada lives in the Estates at Summer Lakes, an upscale subdivision of nearly 100 homes in southeast Orange County, where many owners are angry at the builder.

About 35 miles to the northeast is the moderately priced Springview subdivision in DeBary in Volusia County, where residents are also unhappy with their builder.

"You don't want to know your house is going to slowly fall down or tear apart," said Mary Lankford, pointing to cracks in her living-room wall that continue showing up despite six repairs.

The Estates and Springview were chosen for a closer look by the Orlando Sentinel and WESH-NewsChannel 2 after a house in each subdivision was inspected during the first statistically valid home-construction survey done in Florida and perhaps the nation.

The visits by inspectors prompted other homeowners from each subdivision to call the newspaper and television station, pleading for reporters to take a look at the quality of their homes. In response to the intensity of their unhappiness — and the litany of problems they cited — reporters visited the estates.

In Springview, homeowners put protest signs on their lawns, complaining about the condition of their homes. In the Estates, owners started a petition drive demanding repairs that was signed by 8-10 people before it was handed over to the builder, said Estates resident Pam Young.

In both, residents would stop a reporter on the street to deliver an earful of complaints.

Subdivision residents sought out reporters and even put up yard signs.

Higher cost didn't help

Expensive or affordable, price can make little difference in the quality of a new home, a yearlong investigation by the Orlando Sentinel and WESH found.

Inspectors who checked 406 homes in Springview and the Estates found issues ranging from crooked walls to loose cribs.

Continued on A21

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Continued on A21
Growing unhappiness among Homeowners in the Estates did attract the attention of a local television station and consumer protection agency, resulting in a consumer protection investigation of the builder.

David and Judy Ley are so upset they have moved out of their $192,000 two-story home in May and say they will never live in another home built by Landstar.

"I bought this house. It was my dream. My heart is broken," said Judy Ley, a 44-year-old interior designer.

"I can't take it anymore," said Awada, who owns an appliance-assembly company in Lake Mary. Cosmopolitan Homes built his Springview two-story home in May and he has been complaining to Landstar for months. He said it took Landstar 18 months to install the right front door and the correct stone exterior trim. He had to buy a 30-foot section of granite countertops for $25,000, and the builders on site cost him $30,000.

Awada said he thought their work was satisfactory. "They have to know what they're doing," he said. "They call us experienced builder or superintendent and I'm a certified letter to each

At the Estates, Awada said he has been complaining to Landstar for months. He said his sister, who owns an appliance-assembly company in Lake Mary, has also had problems with Landstar.

"It's too hard to do it yourself, even though you paid an exorbitant amount for your house," said Phillips, a district auto-supervisor who bought a $154,000 for his three-bedroom, two-bath home.

"When I moved in, everything was leaking," he said. "My heart is broken."