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SAN FRANCISCO **Condo owners upset by work done by builder**

Lennar Corp. is working on 2 city projects, in line for 1 more

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When Michael Cullen used the stove at his new \$1.5 million penthouse in San Francisco's trendy South Beach, the ventilation failed and his condo filled with smoke. When he filled his spacious new bathtub, it leaked, soaking subflooring beneath bathroom tile and damaging wood paneling.

As a result of those and other problems, Cullen, 51, said he has had to spend several months over the past two years staying in hotels as workers labored to fix his stove and tub and make other repairs. "It's really disheartening to pay this much for a brand-new home and to have all this stuff happening," said Cullen. "It's been three years of absolute hell fighting ... and I don't see any end in sight."

Cullen and other owners of condominiums at the 240-unit residential complex at 200 Brannan Street have been threatening lawsuits and battling the builder over defects, including uneven floors, improper ventilation, crooked balconies and shoddy cabinetry. Water seeps into the building's garage. Garage door malfunctions have led to thefts of bicycles and raised security concerns.

The homeowners' plight is of broader interest because the builder with which they have been at odds is Lennar Corp., the Miami firm that Mayor Gavin Newsom's administration wants to see carry out redevelopment projects at Treasure Island, Hunters Point Shipyard and Candlestick Point.

Lennar representatives said problems at 200 Brannan stemmed from only minor defects that are to be expected in any new condominium project -- and that only a handful of residents have had long-term

concerns.

"We do our best not to have delays (responding to repair requests), but they are a fact of construction life" said Lennar spokesman Sam Singer. "Lennar holds itself to high standards, and we are making repairs as we speak. ... We strive for 100 percent customer satisfaction."

And some homeowners at 200 Brannan -- the first residence to be built by Lennar in San Francisco -- said they love their new condos and have been happy with Lennar's responsiveness.

"I was pleasantly surprised," said Eric Johnson, who lives at the complex and is a real estate agent who sells units there and at other South Beach developments. "Things went wrong, but Lennar was there to fix them."

Johnson said he was impressed that Lennar has kept employees at the complex for two years to handle repairs.

But observers in the building industry said the kinds of problems owners have complained about should have been repaired long ago and shouldn't remain unresolved for more than one year.

"No new development will be 100 percent defect-free, but the real issue is did they react in a timely manner," said Joseph Perkins, executive director of the Homebuilders Association of Northern California. "These kinds of problems should be rectified immediately."

Perkins said the fact that homeowners would go public with their problems indicates they are serious, because the future value of their homes could be jeopardized by doing so.

San Francisco has a lot at stake in Lennar being a responsible developer. In 1999, the company won the right to redevelop Hunters Point Shipyard, a project that only recently got under way with the building of 1,500 new homes on a segment of the property turned over to the city following a Navy-led environmental cleanup.

In 2003, the company teamed up with a partnership that controlled the right to redevelop Treasure Island Naval Station, which encompasses both man-made Treasure Island and its neighbor Yerba Buena Island. Those plans for Treasure Island are still being negotiated.

In March, Newsom chose Lennar to lead a project to construct 8,500 homes and a commercial development at Candlestick Point and connect it to a potential new 49ers football stadium at the nearby shipyard. Any such project is a long way from becoming reality -- in that the 49ers are looking to move to Santa Clara and a development deal for Candlestick needs several approvals beyond the mayor's office, including from the Board of Supervisors.

Some owners at 200 Brannan said they would caution the city and individual homebuyers to think twice before investing in Lennar homes.

"The quality of the work here has really been subpar," said Rio Dluzak. "It's been a very long and drawn-out battle to get Lennar to right the wrongs. ... I might consider Lennar again if the price was right, but I'd be very wary of them, keeping in mind the way they handled this project."

Dluzak said her Lennar loft, which she and her husband purchased in 2004, is the third new home she has bought in San Francisco. Comparatively, she said, her 200 Brannan home has had far more problems -- and those problems have taken longer to correct.

According to Dluzak, her floors were "grossly uneven" and the smell of food from other condos seeped through her dryer vents. Bikes were stolen from the garage because the door could not be closed for long periods of time.

After two years, most of the problems have been resolved, she said, but a handful of fixes are not complete.

Her neighbor Cullen's stove ventilates properly now, but Lennar is still repairing his bathtub, he said.

The entire complex has defects, according to Cullen. The garage walls leak, the water pressure is weak and inconsistent, and the entire west wing of the building experiences temperature swings due to ventilation problems, he said.

Dluzak said that when she started contacting neighbors about problems they were experiencing, she heard from owners of 20 to 30 of the units. They reported concerns similar to those experienced by her and Cullen, she said.

These residents organized to pressure Lennar to move quickly and to make effective repairs throughout much of 2006 and 2007, she said.

Homeowners contacted by The Chronicle confirmed the kinds of problems and delays described by Dluzak and Cullen, but also expressed reluctance to discuss them publicly because of the impact it might have on resale values.

Owner Mona Migdal told The Chronicle last month she would never buy from Lennar again, saying counters and flooring needed replacing because Lennar used materials ill-suited to kitchen and bathroom uses.

But Migdal has since changed her view of the company after it completed all of her repairs and agreed to replace common area furnishings and carpet that owners had complained about.

Those fixes came after The Chronicle contacted Lennar about residents' complaints.

"Everything has been rectified, but I really had to raise a stink," Migdal said.

Later, in a follow-up call, she added: "I feel much more positive about Lennar now. They have accepted our request to improve the building; they are trying to step up to the plate."

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