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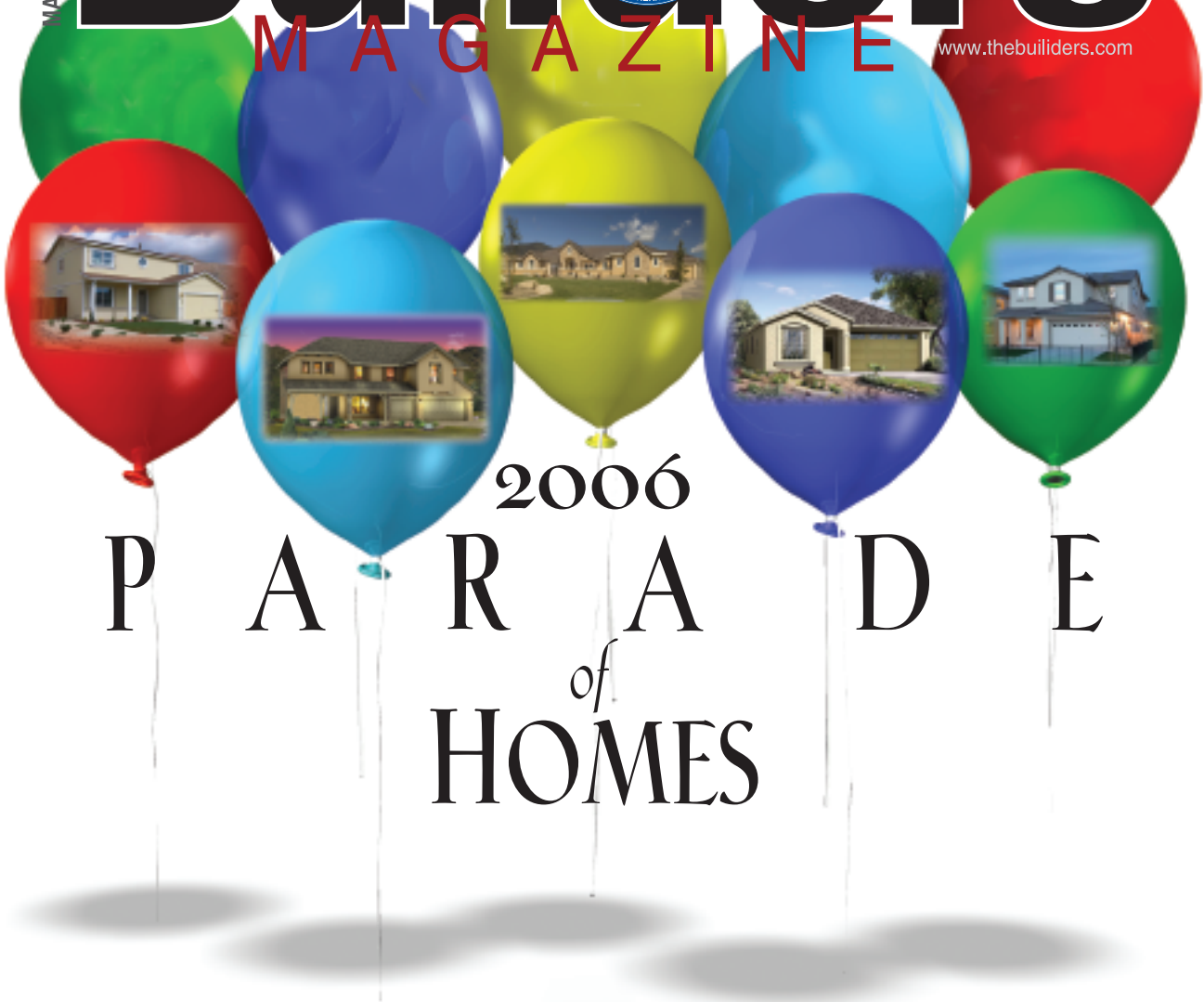
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## 2006 P A R A D E of HOMES



THE DEVELOPER'S DILEMMA

FEATURED IN THIS ISSUE

**Is Your Company Prepared for  
HOMEOWNER OUTRAGE  
Due to Residential Mold Growth?**

# Is Your Company Prepared for Homeowner Outrage Due to Residential Mold Growth?

By Allan E. Burt, MBA, Building Health Sciences, Inc.



mold discovered after home occupancy



costly post-occupancy remediation



accelerated health-based clearance



post clearance - pristine and mold free

## INTRODUCTION

Builders can no longer afford to under-estimate the complicated, dynamic, geographically influenced construction assembly called a residence. Regardless of your tremendous reputation within the community, recognition as a quality builder, years of experience, huge homeowner satisfaction ratings, dedication to customer service and loyal buyers, discovery of fungal contamination in a residence either pre- or post-occupancy can explode into a business disaster.

For the most part, everyone today is aware of the potential for fungal growth during construction and pre-occupancy. There are preventive steps in the construction process, material selection, prescriptive fungicides and other decisions which prudent contractors incorporate into their quality control program. Yet most, if not all, of these procedures overlook inclusion of a well thought out integrated incident response with a risk communication plan.

Post occupancy, fungal contamination is a different story. You may not be the first-responder contacted to assess the situation, as homeowners frequently secure independent investigations. Today, residences with mold growth due to alleged defective construction practices or workmanship are probed, tested, examined and remediated in ways determined by *whoever* is hired rather than by *what* is needed. The builder can lose control of all economic aspects prior to crafting a health-based risk communication plan to mitigate escalations with or without formal notice of cure from the homeowner.

## DEVELOPER'S DILEMMA

The developer faces a dilemma if unprepared for a mold emergency. Reactions escalate quickly. Record residential property values have heightened homeowner sensitivity. Mold is not just a warranty issue but potential groundwork for litigation. Remediation costs and litigation become a robust and expensive legacy. A mold related incident gains intensity with a life cycle all its own. Homeowners ask hard questions:

- What are the health effects of "toxic mold" on my children?
- Will this diminish the asset value of my most significant personal investment?

- Will the neighborhood be damaged by the stigma of mold and media attention?
- How will a class action lawsuit and its required disclosures affect me?
- What is the root cause and can you guarantee that it will not grow back?

Your frustration escalates as restless homeowners sound a call to arms on the playground, in the supermarket, at work and the dentist's office. So, despite your willingness to such a costly commitment, well meant efforts to remediate the mold and correct any contributing defects, a negative message and outrage<sup>1</sup> may spread throughout the community absent a bona fide, proactive credible risk communication program.

## CREDIBLE RISK COMMUNICATION

Many risks make people furious even though they cause little harm and others are mortally dangerous without making people mad. Early and effective risk communication confronts this outrage, calms people and avoids panic. It should be a component of your emergency preparedness planning and integrated response to any environmental incident. Dr. Sandman's position is that outrage factors determine response and acceptability. If perceived risk is equal to the hazard plus homeowner outrage, how can you ignore such an important risk mitigation variable. You must:

- Know your constituents and identify your allies within the community
- Understand that multiple factors influence risk perception – work to find the real reason (property value) not just the reason that sounds right (mold) – and address them
- Determine the forum and method of risk communication – individual meetings in the residence or town hall meetings
- Select channels for communication to earn trust through a responsive process.

## HEALTH AS.....HEALTH IS ...THE DRIVER



Following a standard mold incident response, risk communication occurs in advance of remediation and clearance. Logically, root cause correction protocols and a satisfactory remediation plan must be framed and effectively communicated to everyone before the work starts. The developer has to be cautious here in order to control the financial impact of remediation.

Costs can actually be established for a focused remediation but the initial, reactive cost driver is more often community fear-based rather than actual health-based realities. Early in the incident there are frequently exaggerated estimates based on worst case scenarios. Generally, the unspoken assumption – depending upon the investigation team - is to protect homeowner and family health. As costs escalate for the developer, questions arise:

- Are our remediation protocols excessive?
- Why are we doing as much as we are?
- Do people need to be relocated?
- Why is remediation itself such an expensive activity?
- How much remediation is required?
- Are we focused on the job itself or working defensively to pre-empt litigation?
- Do curtains, furniture and other belongings need to be cleaned?
- What mold spore levels are safe?
- When the homeowners can they return and who makes that determination?

These and other extremely expensive activities are presumably guided by health concerns but industry practices are often chaotic and unfocused.

Health issues drive evaluation, testing and remediation. Guidelines allude to health as a factor but general health criteria standardization and consistency are lacking. Why do remediation and associated costs continue

to rise when health claims nationally are declining? Someone with health expertise, environmental knowledge, communication skills, and *credibility must* be an integral part of any remediation effort, if the builder hopes to prevent cost escalation scenarios such as panic at the local schools, class action litigation, inexplicable symptoms, illnesses and other health effect claims.

## EMERGENCY PREPAREDNESS ~ HEALTH BASED RISK COMMUNICATION

A health-based component immediately emerges as one of the first and most essential emergency preparedness requirements for a builder's action plan. Emergency preparedness takes into consideration issues similar



to those outlined above as well as the right professional assistance. As the initial mitigation step, the developer needs to understand how to be prepared to communicate when the emergency hits. To answer medical questions like, "Why does my baby cough at home but not at day care?" health-based risk communication must come from a knowledgeable medical doctor, not from you, your carpenter foreman, a customer care specialist, the general superintendent or remediation contractor. Understand and prepare for health-based risk communication! It will mitigate misperceptions, expedite a well-received response and promote a cost-effective recovery.

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### Reference

<sup>1</sup> A term created by Peter Sandman, PhD, Founder, Center for Environmental Communication, Rutgers University

# Protect the Health of Your Bottom Line with Medically-Based Risk Communication

## *Medically-Based Investigations and Remediation Oversight Enable You to:*

- ▶ Ensure the health and safety of occupants and residents
- ▶ Provide risk communication based on relevant medical and scientific literature delivered by highly-skilled, medically-trained, communications experts
- ▶ Internally collaborate with contractors on the hard cost issues of remediation
- ▶ Effectively estimate, manage, and control your liability and financial exposure
- ▶ Prevent costs from becoming disproportionate to the prescribed health-based solutions.



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