

THE IRISH TIMES

Berkeley: Previous \$3.5M Case Exposed Defects in Balconies

By Simon Carswell

July 28, 2015

The new residents of Park-Broadway, a 96-residence building in Millbrae, beside San Francisco International Airport, thought it odd that their apartments should smell of mold just a year after they moved in.

The property, which also has 13 commercial units, was built by Segue Construction, the same company that built the Library Gardens apartment block in Berkeley where five Irish and an Irish-American student were killed in a balcony collapse in June.



Park-Broadway was finished in 2009, two years after the Berkeley property. The two properties are similar in appearance: both are wood-frame structures with what appears to be a concrete stucco finish.

The homeowners' association started receiving reports of mold from residents in 2010. Relations between the owners and the developer deteriorated to such a point that they decided to hire lawyers.

“The developer said to us, you take it amongst yourselves to figure it out,” said Harry Hui, the association's president and an owner of a commercial unit. “We knew there was a 10-year warranty on the building.”

Frank Alioto, the homeowners' association manager, ordered inspections that found “an unbelievable amount of mold and dry rot that forced us to close the decks [balconies],” he said. Water had infiltrated the balconies in different ways. “Weep holes” in the concrete that should have allowed the water to run off were too high, so the water sat in the stucco render, damaging it.

The points where the balcony deck met the building's walls were found to have been improperly waterproofed, sending water down the walls into the living space of the apartments below. The wood supporting the railings of some balconies had also rotted.

There were 37 balconies at the three-story complex and 12 had to be “red-tagged” because of dry rot caused by water damage.

Thomas and Rachel Miller, the father-and-daughter team at the Miller Law Firm in San Francisco who specialize in suing over construction defects, brought a legal action on behalf of the homeowners in 2011.

Two years later, Segue's insurer, Zurich, settled the case for almost \$3.2 million in a non-confidential deal. A further \$320,000 was funded by the builder as part of its "self-insured retention" or deductible.

R Brothers, the company that carried out the waterproofing on the balconies in the Berkeley building, also worked on Park-Broadway.

Repairs are being made to the balconies in Millbrae at a cost of about \$1 million. Unlike in Millbrae where the balconies are supported in the structure of the building, the Berkeley decks were cantilevered.

"You don't expect anything like that to happen," said Mr. Alioto of the Berkeley accident. "The amount of damage that was here was completely unexpected."