

## ***Don't Build a Castle in the Sand:*** ***Things to consider when building a house in Germany...***

by Joerg Moddelmog

The Kaiserslautern Military Community is growing, and more and more people stationed here are considering building a house. Unfortunately, some of these future homeowners will experience unexpected challenges and frustrations along the way when dealing with construction companies: *e.g.*, allegations of promises not kept, timelines not met, hidden fees, misleading information, and unqualified subcontractors.

This article attempts to address and pre-empt their frequent lament of "Had I only known before!" by providing some basic information on things to consider before building a house in Germany.

First of all, remember you are dealing with a builder, who is a businessman, trying to make a profit.

Ask for references. Ask to be shown houses that your builder already constructed and for permission to talk to the owners. Even if the builder only shows you his happy customers, you will at least know that these exist. What's more, these customers might be willing to share with you their experiences living in the house and tell you if there is anything they would have done differently if they "had it to do over again."

Do not sign a contract before you have secured financing. Most importantly, read the contract and make sure you understand it. Don't shy away from seeking legal advice. After all, contracts are full of legal terms.

If the eloquent salesperson's verbal statement deviates from the written text of the contract, insist that corresponding changes be made to the text. The company wants your signature. Once you have signed the construction contract, you generally obligate yourself to pay damages if you later change your mind or if your financing is subsequently disapproved.

Under German law, verbal contracts are binding and enforceable, provided they can be proven. Therefore, be careful when talking to an architect and agreeing to a proposal that he provide you with some "sample" sketches. Chances are you just entered into a verbal contract, impliedly promising to pay him reasonable monetary compensation based upon the statutory fee chart for architects - absent an express written statement to the contrary.

Are landscaping fees required to be paid and, if so, are they included in the basic contract price? Where does it say so in the contract?

It is your home and it is your responsibility to think ahead about any needed improvements. Don't rely on the company to make suggestions for improvements, like a drainage system if your home is built at the bottom of a hill. Installing such a system would increase the basic contract price and might scare you away as a customer. Don't put the blame on the company, but try to apply common sense and learn from experiences shared by your neighbors or other homeowners.

It is also important to clarify the quality and quantity of the work that your construction company will do, as opposed to the work that will be done by any subcontractors that they may hire.



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The prices for tiles and plaster/gypsum are generally low because subcontractors perform these jobs. But who will be responsible if the subcontractor's work turns out to be unsatisfactory? What does your contract say about these responsibilities? Will your architect supervise the building project? If yes, will he merely obtain confirmation statements or actually check for and verify proper performance?

Often the description in the contract is too general, covering several types of houses. Therefore, it is advisable to address each and every room in the house in detail in the contract. How many sockets do you expect in each room? Demand an itemized list of expenses and make sure your expectations are acknowledged in writing.

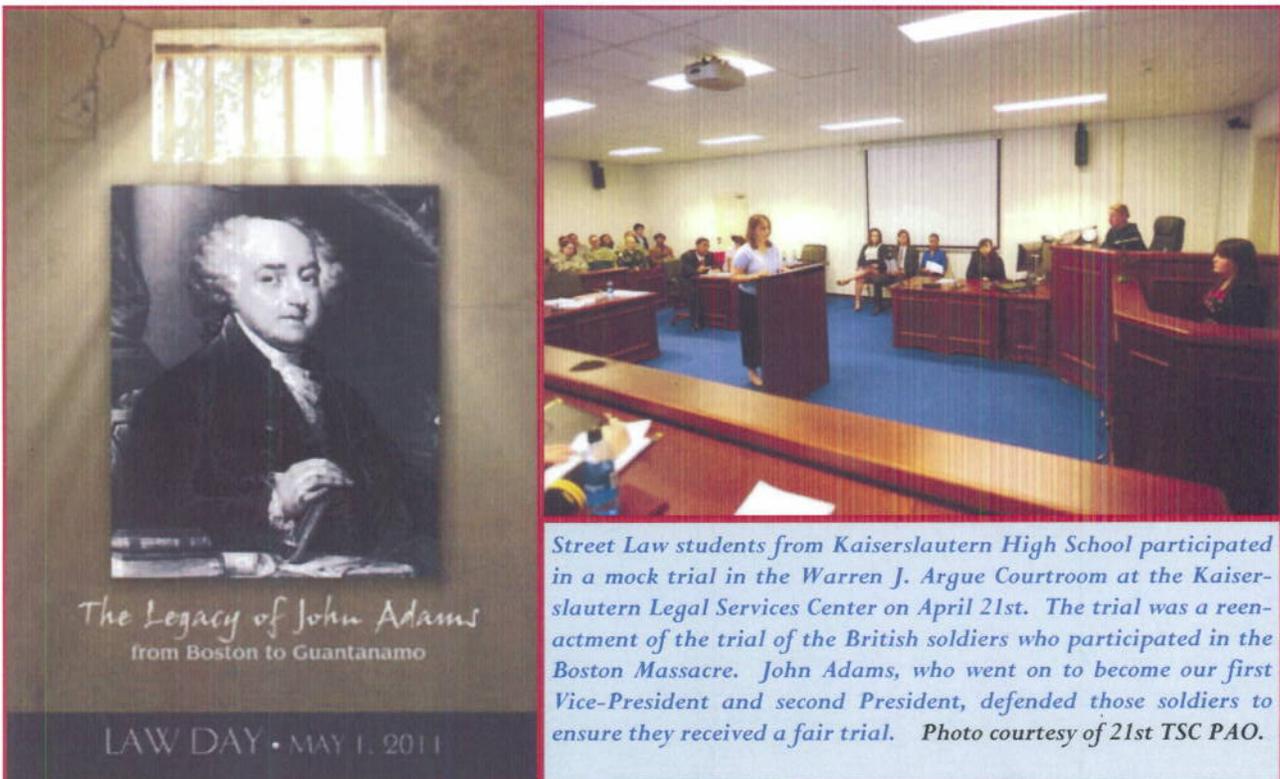
Sometimes building contracts are based on type classifications when it comes to bathroom equipment, giving you only the choice of inexpensive no-name (and sometimes low-quality) fixtures. Any high-priced, top-quality fixtures will likely cost extra and not be included in the basic contract price.

Last but not least, what if your builder should file for bankruptcy during or after the construction of your house? Does he have insurance that will cover the completion costs of his work or any warranty claims (note: the statute of limitations on making such claims is normally five years). Don't be afraid to ask him for proof of such insurance.

Follow these tips and you are more likely to end up as a happy homeowner.

*If you have questions about a construction contract, or need general legal advice before building a home, please feel free to contact either the German Attorney-Advisor, Matthias Voelker, at the Ramstein Air Base Legal Office (DSN 480-2552 or Civilian 06371-47-2552) or the German Legal Assistance Attorney, Joerg C. Modelmog, at the Kaiserslautern Legal Services Center on Kleber Kaserne (DSN 483-8848 or Civilian 0631-411-8848).*

## Legal Services Center Celebrates Law Day



*Street Law students from Kaiserslautern High School participated in a mock trial in the Warren J. Argue Courtroom at the Kaiserslautern Legal Services Center on April 21st. The trial was a reenactment of the trial of the British soldiers who participated in the Boston Massacre. John Adams, who went on to become our first Vice-President and second President, defended those soldiers to ensure they received a fair trial. Photo courtesy of 21st TSC PAO.*