

Condominium Liability Reform Resolution – Updated Draft – Aug 24, 2018

WHEREAS the southwest Washington region is one of the most appealing, attractive and desirable places in the country to live;

WHEREAS between 2018 and 2040 Clark County is expected to grow by an additional 170,000 residents, a 35% increase (WA OFM data);

WHEREAS Clark County has experienced sustained employment growth since 2010, with exceptionally strong job growth since 2014 resulting in a dramatic surge in the demand for housing;

WHEREAS housing construction has increased substantially after recording a low in 2011, yet the construction of new housing units is not keeping pace with job growth and consumer demand and only this year is approaching pre-recession levels of new housing production;

WHEREAS the Washington Growth Management Act (GMA) planning goal for housing is to encourage the availability of affordable housing to all economic segments of the population of this state, and to promote a variety of residential densities and housing types;

WHEREAS condominiums represent infill development that promotes GMA planning goals;

WHEREAS meeting the housing needs of diverse households across a range of income levels is integral to creating a region that is livable and accessible for all residents, economically prosperous, and environmentally sustainable;

WHEREAS condominiums typically meet the needs of first time homebuyers as well as older residents wanting to downsize from single-family homes and are a less-expensive housing option than single family homes;

WHEREAS the current regulatory and legal environment for condominium construction in Washington state places significant liability on builders, making it prohibitively costly (compared to other urban jurisdictions) to bring this housing product to the southwest Washington market at an affordable price point;

WHEREAS the Runstad Center for Real Estate Studies at the UW School of the Built Environment report “Incentivizing Condominium Development in Washington State: A Market and Legal Analysis,” recommends specific ways to lower the perceived risk and uncertainty imposed by the Washington State Condominium Act, including clarifying the nature of a construction defect, incentivizing repairs rather than monetary damages as a remedy, among others;

WHEREAS policy changes to the Washington Condominium Act to reduce builder risk could make condo construction a stronger investment choice for developers, thereby broadening housing options for the region’s residents and accelerating the creation of new housing for first time, downsizing and lower-income home buyers;

THEREFORE, BE IT RESOLVED that we the Clark County Council support changes to the Washington Condominium Act that will address concerns about excessive litigation risk, and encourage construction of affordable condominiums while maintaining consumer protections.