



July 12, 2026

To: President pro Tempore Limón and California State Senators
Re: AB-1903 Construction Defects. OPPOSE UNLESS AMENDED

Senators:

While Neighbors For A Better San Diego (NFABSD) agrees that construction defect litigation is a deterrence to the construction of new condominiums, and that reasonable legislative steps should be taken to reduce builders' risks against broad claims that may be made for up to 10 years after construction, we oppose AB-1903 unless amended as detailed below.

Bill Summary

AB-1903 attempts to reasonably balance the litigation concerns of builders versus the protection of homeowners against substandard construction. This is done by introducing a building inspection and certification process, which per Section 939.1 of the bill would cover the following aspects of a building:

- (a) Grading.
- (b) Foundations.
- (c) Framing, flashing, windows, and drywall.
- (d) Plumbing.
- (e) Exterior applications such as stucco, siding, and roofs.
- (f) Mandatory health and safety features, including, but not limited to, seismic safety and fire suppression features.

As proposed in Section 939.4(a)(1), the inspector could be a private licensed architect, engineer, or general contractor. As an alternative to litigation in the event that claims of defects arise, the builder of a certified building shall have the right to make repairs. Completion and acceptance of the repairs grants the builder a release for future claims for that repair.

Recommended Amendments to AB-1903

While the proposed certification, inspection, and certification processes are a step forward, AB-1903 was clearly written from the perspective of the building industry and omits disclosures and assurances that NFABSD considers critical to protecting condominium owners against defective construction. These recommendations include:

1. Disclosure of Inspection Reports used to Certify a Building.

Presumably the work product of a private inspection would be a report detailing what was inspected, by whom it was inspected (including qualifications of the persons inspecting), how it was inspected, and any findings and recommendations. These reports should be included in the sale documents provided to the purchaser.

An important expectation of AB-1903 should be to create a trust-based system to replace the current litigious environment for resolving post-construction defects. To accomplish this, the bill needs disclosure requirements so that all of the inspection documents are provided to the buyer prior to the signing of the sales documents. This would allow the buyer to consult with the buyer's own experts to make sure that the inspections are understood and trustworthy. It would also make it clear to the buyer which categories of construction are covered or not covered by third-party inspections.

As with any product warranty, AB-1903 needs to set clear expectations for the home buyer. Adding a provision to AB-1903 to include certification inspection reports in the sale documents, sufficiently in advance of closing, would provide additional transparency and certainty to the condominium purchasing process.

Pre-sale disclosure of the certification reports would also protect the condominium builder and the private inspectors, who otherwise will be exposed to claims of deceptive sales practices and fraud, whether warranted or not, arising from a lack of transparency. The procedures proposed by AB-1903 will fail to produce more for-sale condominiums if all that happens is that lawsuits over construction defects become lawsuits over failure to disclose inspection reports.

2. Standards for Inspectors

A key issue that isn't adequately addressed by the bill is ensuring that inspectors are fully qualified to certify the aspects of the project that they are inspecting. For example, would an architect or general contractor who specializes in single-family homes or small apartment buildings be allowed to certify the footings for a 24 story high-rise? Is the bill going to establish a state program of certifying inspectors?

3. Conflicts of Interest

AB-1903 rightfully tries to address potential conflicts of interests between builders and private inspectors, which the bill limits to architects, professional engineers, or general contractors. The third category (general contractors) is particularly problematic because contractors are likely to have employees or subcontractors that also work for other builders, leading to secondary potential conflicts. NFABSD asks that further consideration be given to how a pool of qualified inspectors is created and maintained.

In summary, we welcome legislation to address longstanding concerns regarding construction defect litigation. AB-1903 is a promising step forward, but needs to add reasonable provisions to fully disclose inspections to potential condominium buyers, well before closing, and ensure that inspectors are properly qualified to certify projects.

Respectfully,

A handwritten signature in cursive script that reads "Geoffrey Hueter".

Geoffrey Hueter, Chair
Neighbors For A Better San Diego