

How to succeed in small business:
» GET BACK TO WORK
 News for Small Business success - GO!

MSNBC
Number 1 For Internet News

-
- News
- Business
- Sports
- Local
- Health
- Technology
- Living • Travel
- TV News**
- Opinions
- Weather
- Shop@MSNBC
- MSN.com

TV News

DATELINE NBC

Is your home crumbling around you?

It's happening to new homes across the country — find out more from a 'Dateline' investigation

NBC NEWS

March 22 — You spend a lot of time looking, do all the legwork, invest your heart and soul in it, not to mention your savings. And finally, you own a piece of the “American Dream” — your own home. But what if the brand new house you worked so hard for begins to crumble around you? It's happening to new homes around the country. Is it just a case of, “they don't build 'em like they used to?” Or is there more to the story? Chief consumer correspondent Lea Thompson reports with a “Dateline” Investigation.

[COMPLETE STORY](#) ↘

ADVERTISING ON MSNBC

PCs & More @ Gateway SpotShop.com

- select a category -

point click shop
msnshopping

Sign Up and Enter to WIN \$5000 Cash!

E-Mail:

Even more surprising was what they say was the cause of the damage — the type of stucco on their home.

FOUR YEARS AGO, Howard and Janice French moved to Wilmington, N.C., to spend their golden years. With their retirement money, they built the house of their dreams.

Howard French: “The home represented to us our, hopefully, our final house that we were going to buy.”

But just a few months after moving in, the Frenchs discovered their brand-new home was hiding an ugly secret.

French: “On the outside of the front bedroom window, we noticed a mold coming out from under the lower part of the window. In that same bedroom was a very strong odor that we never could identify the source of.”

When they had the wall stripped away to see what was wrong, the Frenchs were in for a shock.

French: “The sheathing was totally rotten. With your fingertips you could peel the sheathing away. Insulation underneath was soaking wet. You could squeeze water out of it.”

The French’s dream home was falling apart.

French: “This isn’t what you want to see in your house, especially one year after you just had it built.”

Even more surprising was what they say was the cause of the damage — the type of stucco on their home.

The Frenchs didn’t have a traditional stucco home, which is simply a house with solid, thick cement walls. Instead, they had bought something very different — a synthetic stucco system.

With synthetic stucco, after the wood sheathing has been attached to the framing and the windows are installed and sealed, a layer of styrofoam is glued onto the wood. A basecoat of the cement-like stucco material goes on top, then wire mesh and finally, a finishing coat of stucco. This system is supposed to provide a protective envelope against the elements.

But the Frenchs say instead it was trapping moisture behind it and rotting their house away — inside out.

And the Frenchs aren’t alone. From the southeastern United States to the Pacific Northwest, people are discovering the structures under the surface of this type of stucco are decaying.

Dave Miles: “You can see here that the wood is actually just rotting away, and just falls right away.”

And as homeowners like Dave and Shelley Miles of Wilmington have discovered, fixing the damage is neither cheap nor easy. Because their insurance policy won’t cover repairs, the Miles say they had to come up with over \$100,000 to fix their home.

Shelley Miles: “This is our dream house and we

haven't even been able to enjoy it for two-and-a-half years because this has been hanging over our heads."

Synthetic stucco houses first became popular in the U.S. in the mid to late 1980's — today there are hundreds of thousands of these homes all across the country. The trade name for synthetic stucco is EIFS — for Exterior Insulating and Finish Systems. Although EIFS costs about the same as brick or wood sidings, the industry touts it as a lightweight, low-maintenance exterior that also provides an easy insulating system for a home.

But that system, in some houses at least, appears to be a double-edged sword.

Pierre Gallant: "It lets water in. And it doesn't let the water out."

Pierre Gallant is with Morrison Hershfield, a building science company in Vancouver, Canada.

Gallant: "Any failures of this outer coating, any breaks at joints, windows, etc., will allow water in. As soon as water gets in, it can't get out. And so, if you're against water susceptible material, like gypsum board or wood, you're gonna have damage."

Gallant says EIFS can make homes more vulnerable to moisture problems. That's because unlike other sidings, synthetic stucco is glued to the surface, so if moisture does get in, it remains trapped."

Gallant: "Unless it drains, you're going to have a problem."

Gallant's firm has investigated dozens of EIFS failures in Vancouver — like this condo building.

Gallant: "You can see how easily the gypsum board is crumbling. And you should not be able to do that. These are rust stains. That means water got in behind the gypsum board and is now starting to rust the steel stud."

But what about places that aren't as wet as Vancouver or Wilmington, N.C.? We wondered if homes built in an area of more moderate rainfall could also have this problem. To find out, we decided to visit the Washington, D.C., suburb of Great Falls, Va. We picked out recently built synthetic stucco homes at random.

Omar Hilmi's synthetic stucco house was built three years ago by a well-known national builder. He allowed us to bring in a specialist qualified to test for moisture levels in a home.

The inspector uses a special probe to penetrate the wall.

Inspector (testing the wall): "Oh, yeah, you can see that's above fifty percent, which is certainly an indication that there's damage behind the system."

Unfortunately, the only way to truly find out if the

wood is damaged, is to cut out a section of the wall.

Inspector: "This is certainly degraded. See that? See, that's your two-by-four framing structure."

Omar Hilmi: "Yeah."

Inspector: "That's the studs in the walls right here and that's totally deteriorated. See that? Look at that."

Hilmi: "Wow. It doesn't make me feel good, that's for sure. I wouldn't have known about this. This is really rotted."

We chose another synthetic stucco house at random in the same area. Amy and Pierre Nedelcovych's four-year-old home was built by a local builder.

Lea Thompson: "Have you had any problems with this house as far as moisture is concerned?"

Pierre Nedelcovych: "Yes, we've pretty much had problems since the contract and purchasing this house with moisture and cracking."

Once again, the inspector finds high moisture levels, and when the stucco is cut away, more rot.

Inspector: "This is really still wet."

Nedelcovych: "That's completely rotten."

Inspector: "This whole area I would suspect along the edge of the door has just turned to mulch. You can see."

Nedelcovych: "My gosh."

Amy Nedelcovych: (Crying) "This is the stuff I put on the ground."

Inspector: "It's molded and mildewed."

Pierre Nedelcovych: "Just falls right apart."

Amy Nedelcovych: "This is not right. This product should not be used if this is the damage that it's doing."

And here's a third house in the same area, also chosen at random. Owner Charlie McMillan had heard reports of potential problems with synthetic stucco homes. But he was sure his house was okay because he says he personally oversaw construction and was on-site everyday.

Lea Thompson: "Have you had any moisture problems with your house since you built it?"

Charlie McMillan: "Not to my knowledge."

McMillan and his family looked on as the inspector checked for damage. It was more of the same.

Inspector: "Just from this one small cutout, you can see we've got dry rot, a lot of mold and mildew. You can see it just continues right up behind this band. You see, this is actually in the structure of the house at the floor line."

Thompson: "So you actually have problems with the structure in this case."

Inspector: "Exactly."

Thompson: “You didn’t expect to see this?”

McMillan: “No. I expected maybe a little moisture had gotten in and maybe some damp wood, but I certainly didn’t expect dry rot in a house that was four years old.”

McMillan went on to have his entire house tested and found there was widespread moisture damage.

Steven Klamke: “We’re delivering to the consumer a product that works exactly the way it’s supposed to work.”

Steven Klamke is head of the EIFS industry’s trade association. Klamke says all this rot has nothing to do with synthetic stucco — he blames it all on shoddy construction. He says water is getting in behind walls because builders are installing poor quality windows and aren’t sealing joints properly.

Lea Thompson: “None of this is an EIFS manufacturing problem?”

Klamke: “Absolutely not. Absolutely not.”

Thompson: “Can this EIFS system be put on a home under normal construction methods — not perfect construction methods — and not cause homeowners any problems?”

Klamke: “Absolutely. Absolutely.”

Thompson: “You’re convinced of this.”

Klamke: “Yes I am.”

While some high-end contractors say EIFS can work if it is meticulously installed and maintained, the National Association of Home Builders told us synthetic stucco isn’t “compatible with the existing wood frame construction methods in the United States.” The Association, which represents over 60,000 home builders nationwide, says “homes with EIFS can develop moisture intrusion problems even when properly constructed according to industry standards.”

Klamke: “If, in fact, the problem existed with the product, it would have manifested itself 20 or 25 years ago.”

Klamke argues the rotting has only occurred on relatively new homes, which he contends were built in a shoddy way.

But “Dateline” has obtained an internal memo — written eight years ago — from an EIFS manufacturer named STO. It admits that one of the “inherent flaws” of synthetic stucco is that there is no back up system that allows it to “tolerate moisture penetration, without damage to the system.”

STO wrote “Dateline,” saying the memo “did not mean that EIFS products were defective” and that the company stands by its product.

There is an even earlier internal memo, dated 1984, from Dryvit, the largest EIFS manufacturer. A Dryvit technical manager wrote: “failures are inevitable,” and “the inevitable” leaking “which will deteriorate sheathing will soon be upon us.”

Dryvit responded by saying at the time, company officials disagreed with the points raised by the technical manager.

Dryvit also told us “Dateline” is unfairly targeting synthetic stucco homes, and Dryvit asked us to contact a building engineer named Russ Kenney.

Russ Kenney: “We have our own system and own standards and we have no problems. We make sure that it is done correctly. If it’s done correctly, it can work. Unfortunately, it’s not real world all the time.”

While it’s still unclear exactly what percentage of synthetic stucco homes have rotting problems, the federal government and the state of Georgia have placed restrictions on its use. North Carolina has banned it outright.

And two synthetic stucco manufacturers, USG and Senergy, have stopped selling the product for use on homes. The companies have replaced the original synthetic stucco technology with a new one that provides a way for water to drain out.

Ironically, other manufacturers have also introduced drainable synthetic stucco. But most continue to sell the older version as well.

The trade association still contends there’s nothing wrong with the original system.

Thompson: “Do you think most of the manufacturers will eventually ease out of the old system?”

Klamke: “Absolutely not. Absolutely not.”

Howard French: “It’s banned here in the state of North Carolina, and to me, it should be banned all over.”

The Frenchs and other homeowners all over the country now know that if a problem is found, it often involves structural repairs, and they can’t wait because the damage will only get worse.

Howard and Janice French say they had to take tens of thousands of dollars out of their retirement savings to replace the stucco with a wood siding. They just can’t believe that the older synthetic stucco system is still on the market.

“My simple message to anybody considering buying a synthetic stucco home right now would be don’t. I think you’re only buying yourself problems down the road,” says French.

If you think your house might have moisture

problems, have a qualified inspector test for excessive moisture levels. If there's wood damage, take care of it immediately. The longer you wait, the worse it will get.

INFORMATION AND RESOURCES

(MSNBC and "Dateline NBC" not responsible for content of Internet links.)

- **The National Association of Home Builders:**
<http://www.nahb.com/>
- **Northern Virginia Stucco Home-Owners Coalition:**
<http://www.novashoc.org/>
- **EIFS Industry Members Association — EIMA — EIFS Facts:** <http://www.eifsfacts.com/>
- **Building Online:** <http://www.buildingonline.com/>
- **USG Corporation:** <http://www.usg.com/>
- **Senergy:** <http://www.seneryeifs.com>
- **Dryvit:** <http://www.dryvit.com/>

MORE STORIES FROM NBC NEWS

- STORY** 'Nightly News': 'Wrestlemania' lures the amateurs
- STORY** 'Dateline': Thieves 'surf' for phone card numbers
- STORY** 'Nightly News': Prices push farmers to suicide
- STORY** 'Dateline': How to avoid bicycle thieves
- STORY** Napoli on the 'Net

DATELINE NBC Back to "Dateline NBC"

LINKS, SITES & MEDIA

MSNBC not responsible for content of Internet links

- INTERNET** The National Association of Home Builders
- INTERNET** Northern Virginia Stucco Home Builders Coalition
- INTERNET** Building Online
- INTERNET** USG Corporation
- INTERNET** Senergy
- INTERNET** Dryvit

MSNBC VIEWERS' TOP 10

Would you recommend this story to other viewers?

not at all **1** - **2** - **3** - **4** - **5** - **6** - **7** highly

[BACK TO TOP ↕](#)



MSNBC is optimized for

- Microsoft Internet Explorer
- Windows Media Player

- [MSNBC Terms, Conditions and Privacy](#) © 1999

[Cover](#) | [Quick News](#) | [News](#) | [Business](#) | [Sports](#) | [Local](#) | [Technology](#) | [Living & Travel](#) | [Health](#)
[TV News](#) | [Opinions](#) | [Weather](#) | [Shopping](#) | [MSN](#) | [Comics](#) | [Find](#) | [About MSNBC](#) | [Help](#) | [Index](#)
[Cool Tools](#) | [Jobs](#) | [Write Us](#) | [Advertising on MSNBC](#) | [Y2K Statement](#) | [Terms, Conditions, and Privacy](#)



[Find](#) [Help](#) [Cool Tools](#) [Write Us](#)