



Chinese Drywall: Hazard or Nuisance

There's a new inspection issue to contend with in the U.S. Real Estate Market. In 2009, a new nemesis, Chinese Drywall, has become positioned to join the ranks of radon, synthetic stucco, and toxic mold. However, unlike its predecessors, it has yet to be determined if Chinese Drywall poses a real health issue.

During the housing boom, new construction was at an all time high and domestic producers of drywall were unable to keep up with the demand. To fill that void, China offered a viable solution: the necessary supply of goods as well as lower costs to builders. However, as homeowners have settled into their new homes, many are reporting issues ranging from unpleasant sulfur ("rotten egg") odors to corrosion of electrical and HVAC components which is being linked to the Chinese Drywall.

Sensitive to the potential hazards related to Chinese imports, environmental consultants have started investigating any health issues related to the gas purportedly emitted by the drywall product. While the largest concern is related to respiratory problems, early emissions testing conducted by the Florida Department of Health showed no "immediate health threat." Further fact-finding and testing may be required before an official position can be declared. Regardless, in a tough real estate market, the odors are at best detrimental to a homeowner's ability to sell; impacting both marketing efforts and value of the home. If corrosion is noted on a given home, the ability to sell a given home is further diminished. In fact, there are several lawsuits pending against manufacturers and builders as homeowners attempt to recoup monies spent on medical bills and repairs.

Paragon's inspection partner, GlobeSpec is currently working in conjunction with Worldwide ERC to determine a recommended course of action for homes built with Chinese Drywall. Most of these homes are located in Florida though this product has been used in a total of 40 states to date. As more details become available Paragon will develop a formal recommendation for our clients. We will keep you informed regarding this developing situation.

About Paragon

Originally founded as a relocation consulting company specializing in domestic and international relocation and global assignment program development consulting, our mission was to develop cost-effective mobility programs that offered more services to the transferring employee, at less cost to the organization. Today, we maintain an extensive consulting practice focused on global mobility issues in their entirety.

Paragon's Consultants have worked with companies throughout the world in virtually every industry to revise, develop, or otherwise build a relocation policy providing your firm considerable experience in policy development.

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