Construction management
Definitions affect how money may be spent, and lost

There are two principal forms of construction management, with the key difference between the two can be an inappropriate problem for building owners and their projects.

The two types of construction management are “construction manager at risk” or “construction manager agency.”

At the two construction management companies, one can read solutions and value from the Construction Management Association of America, says Sandy Lee, president of Con- struction Plus Inc. and a CMAA member.

“CM-at-risk benefits the construction company,” says Lee. “CM at-risk benefits the owner. Not knowing which is which or who is who is superior to the other is a problem for people who have value to the term ‘construction management’ and think its mean one thing,” says Lee.

Lee’s company, in its 25th year, builds and renovates schools, office buildings, homes of worthlessness and office projects. He regularly sees bid requests and construction presentations that create a distorted picture of construction management.

“Quite often, the definitions of construction management is interpreted by the contractor,” says Lee.

CM agency (according to the CMAA) is a process through which the construction manager acts as the owner’s agent throughout a project. CM at risk is supposed to deliver a guaranteed maximum price.

“CM at-risk sounds as if the contractor is responsible for anything over the8.85 ac. Beautiful level. $359,900. 659-1739. 6/10 acre w/gorgeous mtn. views. $359,900. 659-1739. 3/4 acre w/gorgeous mtn.

One option is a short sale, which occurs when the net proceeds from the sale of a home are not enough to cover the seller’s mortgage obligations and closing costs, and the seller is unable to cover the difference.

The Realtor’s job is to negotiate for the buyer and show the lender that it is willing to accept the short sale vs. foreclosing on the property. Since the short sale process involves a lot of detailed paperwork, problem-solving skills and persistence, a homeowner should utilize a professional who understands the process. Homeowners can’t afford a Realtor, so they try to sell the home on their own. Many don’t realize that in a short sale, the lender pays the broker’s commission.

However, in a short sale, the market value of the property is not the amount owed on the mortgage. The bank or other lender owning the property will agree to accept a lower amount than what is owed. This amount is called the "agreed-upon price," Loy said. "In reality, the construction owner is responsible for anything over the agreed-upon price."