

House Makeover Ethics Case

"Just after I turned sixteen, I spent a summer working with my best friend with his dad's real estate business. Our job was to 'clean-up' and 'rehab' houses before they were put up for sale. We were to make them presentable so that they could be shown to prospective buyers."

"Some of the things we did were what you might expect: wash and wax floors, wash the windows, clean the walls, sweep out the basement, fix minor problems like leaky faucets, paint walls, dust, and the like."

"My friend's dad taught us how to do a lot of other things as well. To make the house look newer, we often would replace sink faucets and handles. We would add ceiling fans. We used the cheapest good looking fixtures we could find, ones that wouldn't last long."

"To cover water stains in the basement, we used a special stain-proof concrete paint. We also replaced the gutters, but to minimize the time spent, instead of putting support struts every two feet as was the industry standard, we put them every 4 feet or more, encouraging the gutter to collapse in a bad snowstorm. We also did not angle them properly, so water collected in the bottom, spawning mosquitos in the summer. We also said we had gutters of a certain thickness, but really they were a lot thinner."

"On an old furnace, to keep it going for a few more years, we replaced the heat exchanger instead of the furnace. We gave the old air conditioner a shot of freon to keep it going for a few weeks, rather than replace the unit."

"I was young enough at the time and happy enough to be working that I don't remember questioning what we did. My friend's dad's conscience must have bothered him a bit because he kept saying that everything we did was legal. He said he did these things to stay competitive and that part of the job of the buyer was to check everything out."

"Six years later I had my own house to sell. Without thinking about it, I gave it much of the same treatment we used to give the houses, including the new gutters. I put a spiffy "For Sale by Owner" sign up and advertised in the local paper. The next night, a girl about my age who evidently didn't know much about houses came by and liked what she saw. She asked my sale price. After I told her, she asked, 'Is the house in good condition? Is there anything I should know about it?' What should I have said?"

--Case based loosely on Hixon, R. (1990). Don case. In Donaldson, T. & Gini, A.R. *Case studies in business ethics*, 2nd ed. (pp. 222-23.) Englewood Cliffs, NJ: Prentice-Hall.