

The American Arbitration Association (AAA), founded in 1926, is a not-for-profit organization with offices throughout the U.S. The AAA has a long history and experience in the field of alternative dispute resolution, providing services to individuals and organizations who wish to resolve conflicts out of court. In regards to home construction disputes, the AAA's roster of arbitrators is composed of independent arbitrators who have a range of subject matter expertise and experience and include lawyers familiar with construction disputes as well as industry professionals such as architects and engineers. All AAA arbitrators sign an oath agreeing to be bound by a Code of Ethics for arbitrators drafted in conjunction with the American Bar Association that requires impartiality and independence.

In addition, the AAA has a long history of developing rules and procedures, that courts have upheld, and incorporate a number of procedures that promote a fair process including:

- An equal voice among parties in the selection of the arbitrator(s).
- Required disclosures by arbitrators of any potential conflicts of interest or prior service on a case involving the same parties or lawyers.
- The ability to object to the appointment or continued service of an arbitrator with any disclosures.

Statistics on residential construction cases filed and closed for a five year period are made available on our website as part of our [Consumer Arbitration Statistics](#).

A few statistics drawn from the report that may be of interest are:

- There were 1,591 residential construction cases filed and closed with the AAA from October 1, 2012 – September 30, 2016. Homeowners initiated 66% of those cases and builders initiated the remaining 34%.
- Median arbitrator compensation was \$1,050 and 184 cases were closed without incurring any arbitrator compensation. Median time from filing to closure was 8.7 months.
- Over 50% of cases are settled or otherwise closed prior to award. Only 46.5% proceeded to an award.
- Of the cases where the arbitrator identified a prevailing party the homeowner was the prevailing party 58.4% of the time. Builders were the prevailing party 38.4% of the time and both the homeowner and builder prevailed in some fashion 3.2% of cases.