

# Secret deal over Wellington's \$13m leaky building

BY KATIE CHAPMAN    Last updated 05:00 03/08/2010

Last-ditch mediation has settled a \$12.7 million leaky building claim days before a 10-week hearing was due to start.

The body corporate representing owners of the Stadium Gardens apartments on Wellington's Thorndon Quay lodged a claim for damages from eight parties in what is believed to be the city's biggest leaky building claim.

The defendants included the developer, construction company, Wellington City Council, architects and engineers. Costs for repairing leaks, mould and rot were estimated at more than \$11m, with another \$1m for legal fees and other costs.

The hearing was due to begin in the High Court at Wellington yesterday, but was adjourned after three minutes because the parties reached agreement through mediation on Friday.

Details of the settlement were shrouded in secrecy, with all parties bound by strict confidentiality agreements, body corporate lawyer Dan Parker said yesterday. "A settlement that was reached settles the whole dispute involving all parties."

Earlier attempts at mediation failed to reach an agreement.

Body corporate chairman John Weiss Jr said the proceedings began in 2007, and the settlement was a relief. "Very pleased to have it resolved and we can look forward to remediation."

Scoping for the repair work had been done, but no construction had started, he said.

Holmes Construction Wellington was among the defendants. Managing director Tim Holmes said he was happy the owners had got a good result. He would not comment on the settlement details but said it was "fair".

The city council declined to comment.

Problems with cladding on the building, built in 2001-02, have forced some apartment owners to sell at a loss, because of continuing costs. One couple had to let their apartment and move into cheaper accommodation.

In June an Oriental Parade apartment block, with an estimated repair bill of \$4m, also settled out of court in a confidential settlement.

The other defendants in the Stadium Gardens claim were Edgewater Apartments (in liquidation), James Hardie (building product supplier), K Road No 1 (exterior coating application), and Beca Carter Hollings and Ferner (engineers).

Omega Windows (1992) was a third party. It is separate to Omega Industries, which also does aluminium joinery.

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