

# Council may have to pick up \$20m bill

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The \$20 million bill for St Paul's apartment block is believed to be the largest such claim in Wellington.

Ratepayers could pick up most of the costs associated with Wellington's largest leaky-building battle – an up to \$20 million claim over the St Paul's apartment block.

The building – designed by [Ian Athfield](#) – is a stone's throw from Parliament, and counts investors and Cabinet minister Tim Groser among the apartment owners.

He told The Dominion Post he bought one of the apartments about 11 years ago as an investment property, and was "very aware" of the leaky-building problems. "I have suffered quite a considerable financial loss for it."

But his Government position meant he was uncomfortable discussing the case further.

While owners have had to fork out for temporary repairs, the city's ratepayers could pick up the bill for a claim, which will include the cost of legal fees, consultants' fees and general damages suffered by residents.

The developer, Salamanca Investments, and builders, Voss Construction and Ebbett Construction, have all been liquidated since the apartments were completed in 1999.

But because Wellington City Council inspectors signed the building off, the council may end up bearing the brunt of any settlement.

Council spokesman Richard MacLean had no comment "this early in the piece", except to say the council was aware there could be a "potential claim relating to weathertightness issues".

He would not comment on how much in total claims the council had paid, because settlements were confidential, but councillors were warned last year that \$100m would be needed to cover leaky homes liability.

Mr Athfield said he had heard there might have been problems with the St Paul's apartments but was unaware there was a claim.

Body corporate chairman John O'Connell said the Mulgrave St complex leaked all over the place and its 114 apartment owners faced a lot of expense and stress as well as being stuck with apartments that could not be sold.

The roofs on two of the buildings needed to be repitched, there were problems with corrosion around windows, and incorrectly installed concrete walls leaked.

"Three years ago we spent \$160,000 to \$200,000 doing temporary repairs to the roof, and part has failed again. The reason they failed is that the gutterings are so flat, water is ponding in them."

The gutterings were wide and shallow, which meant when water overflowed, it had nowhere to go but into the building.

Recladding two staircases had also cost more than \$1m.

An assessment of the building's faults ran to more than 2000 pages, and more than \$200,000 had been spent on consultants' fees.

Apartment owners had been levied about \$22,000 each during the past two years to fund the \$2.5m

for repairs to date, and meet costs associated with the claim.

That was really hard for some residents who were retired, and for investors who bought apartments expecting to get a return, Mr O'Connell said.

"It has been horrendous for owners. It's a tremendous burden. People can't sell their apartments if they want to – they're in limbo."

Even if their claim was successful, he expected it would take more than two years before the buildings were fixed.

As for the cost of repairs, "we are talking of more than \$10m, but all the expenses could double that". The claim was for the cost of work so far, the repairs still to be done, legal fees, consultants' fees, loss of value, stress and general damages suffered by residents.

High Court action had been ruled out because the claim was out of time, so it was being made through the Weathertight Homes Tribunal. Mr O'Connell hoped the mediation process could be settled by Christmas.

It is believed to be the largest such claim in the city.

### **Other leaky building cases in Wellington:**

- The [Bay Point apartment building](#) at 172 Oriental Pde (home of former mayor Kerry Prendergast): \$10m plus claim for repairs, expenses and general damages for anxiety and stress settled confidentially last week. .
- Stadium Gardens apartments on Thorndon Quay: \$12.7m claim settled confidentially in 2010.
- 166 Oriental Pde apartment block: \$4m repair claim settled confidentially in 2010.
- Roger Walker-designed townhouses at 63 Austin St and 105 Pirie St: Council found jointly responsible for \$1m cost. Buildings demolished this year.
- Luxford Villas, Berhampore: \$5m claim settled confidentially.
- Palm Grove, Berhampore: \$4m claim settled confidentially.
- Eastern Hutt School: More than \$300,000 needed to fix five Ian Athfield-designed leaky buildings containing classrooms, the administration block, hall, library, staffroom and toilet block.
- Brooklyn School: Classroom out of action for more than two years and still needs repair.
- Westpac Stadium: 2011 exterior cladding replaced and roof repaired after \$4.86m claim filed against Fletcher Construction.
- Marion Square: \$6.1m damages claim by 40 apartment owners against builder Trebe NZ settled out of court.

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