

Victopia apartment repairs balloon from \$23.1m to \$35.2m

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CBD chaos: Streets could remain closed for a week.



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Delays and cost rises are dogging repairs of defective Auckland high-rise apartment block Victopia which, instead of costing \$23.1million to remediate, will cost at least \$35.2m.

Ian Harris, project manager for the apartment residents via their body corporate, wrote to owners who have endured two years of repairs with substantial work yet to do.

Harris wrote about the costs and holdups fixing the 16-level block [14 apartment levels with two basements] on the Nelson St/Victoria St corner opposite TVNZ.

"The original contract value has grown from \$23.1m to \$35.2m," he told owners. Changes had to be made to the design of repairs because further defects were uncovered during the job.

"If all levies are not paid, the body corporate will run out of funds to pay the builder," Harris said. The builder could then suspend partly-completed work and sue the body corporate which could be "significant", he said.

A facade engineer must approve the changes and Auckland Council must also grant consent for those amendments, he said. That is yet to occur.

"I must report this huge delay is ongoing," Harris told owners, one who contacted the Herald expressing unhappiness.

For the last two years, Teak Construction has been fixing the block, covered in white protective material for health, safety and environmental reasons.

In 2019, the repairs [shut](#) a street after an exterior facade panel toppled from an upper level to the street: a 1.2m wide by 2m long fibre cement exterior panel blew off the block, resulting in emergency services closing part of Victoria St. The panel was reported as falling from a bedroom on level 13, descending 36m to the ground. Fortunately, no one was hit by the panel or hurt in the accident.

The block was designed by ADC Architects, developed at KNZ International and built by Brookfield Multiplex Constructions (NZ), which is in liquidation.

The property is at 135 Victoria St and is a building distinctive for its upper-level feature where it juts out at the top.

Harris said the building consent amendment, outstanding from last year, won't be lodged until the third week of this month. The council might give consent late next month, "assuming there are no major issues arising through the approval process", he said.

Rigid wall underlay is being fitted to the outside face of the timber wall framing of the building. Passive fire repairs are generally complete up to level 10 of the block, Harris said.

Additional defects were discovered on level 14 and design work was underway. Owners must move out while the repairs are undertaken although vacation is gradual and depends on where work is being done.

In another development with Victopia, Grimshaw & Co solicitors, David Powell and Alphonso Sales, wrote to owners last month telling them how they could possibly claim money from the builder's insurer.

Australian litigation fund Omni Bridgeway proposed a class action brought by the Victoria plaintiffs against Brookfield Multiplex Constructions (NZ) insurers, the solicitors said in a March 10 letter.

The letter cited Victoria owners as getting a "total judgement sum of \$53m" of which part was satisfied with a \$30m settlement reached with Auckland Council and the facade engineers, FDS and Ronald Hanley.

The balance of Brookfield Multiplex's total liability was about \$23m and that remained unsatisfied because the company was insolvent, the solicitors said.

But the builder had professional indemnity which covered Brookfield Multiplex's liability to the Victoria plaintiffs, the solicitors wrote. That policy had an indemnity limit of 40 million British pounds per claim.

Therefore Omni would take the class action for the Victoria plaintiffs against the insurers.

Omni Bridgeway cited the High Court at Auckland proceedings brought by the Victoria owners as resulting in a judgment of \$53, 124,719.76.

The Sydney lawyers would fund the class action against the insurers but if they won, would be entitled to a share of the costs the courts awarded.