

Victoria apartment owners face bill of up to \$150,000 each to complete repairs of the leaky building

Rob Stock · 05:00, Jul 25 2021



ROB STOCK/STUFF

The Victoria apartments in Auckland are riven with anger and unhappiness as a project to fix the leaky building is late and costing more than owners expected.

Anger at a massive cost blow-out on work to fix one of Auckland's most prominent leaky buildings has driven some apartment-owners to call for arbitration.

They have also called for an extraordinary general meeting in a bid to remove the body corporate committee and to stop what they believe is unneeded additional work being done to the building that is driving some apartment owners towards bankruptcy.

short.

In a letter appealing for help from Auckland central MP Chloe Swarbrick on July 15, apartment owner Justine Girgin said: "Owners have been given three weeks' notice to make their first levy payments with their final balances in excess of \$54,000 per unit, due in only 6 months."

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Kas Ikeda is leading a revolt of apartment owners in the Victopia block in Auckland, seeking to oust the current body corporate committee.

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"Many owners have been issued levies in the order of \$150,000 due in 6 months," she said.

She told Swarbrick the additional work, which included putting in a new ventilation system, had been approved by the body corporate committee in a “behind closed doors” decision under a section 74 scheme of the Unit Titles Act authorising the body corporate to carry out repairs, and invoice unit holders.

Swarbrick met with Victopia residents on Tuesday, and afterwards told them she would do everything she could as their local MP to support them.

RICKY WILSON/STUFF

Auckland MP Chloe Swarbrick told Victopia apartment owners that she knew they were suffering financial, mental, emotional, relational and deeply human distress.

That meeting was followed the next day by a fiery “information meeting” of the Victopia body corporate committee, which was also attended by Body Corporate Administration, a private company that acts as the secretary for body corporate.

The meeting was to explain the work the experts hired by the body corporate committee said was needed at the building, but tempers frayed, and the financial hardships of apartment owners were revealed.

A translator, speaking for one older woman, said: “This lady received a special invoice levy for over \$300,000. That’s a big blow for her, especially as it’s not possible to borrow any money from the bank.”

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“Please stick with the original work and stop looking for more problems. We can’t afford it any more.”

Owners unsuccessfully sought assurances that no further work would be identified as being needed in the building.

Another said it was ludicrous to be asking people to pay their entire levies by January, when the project was due to be completed in two years’ time.

Body Corporate Administration general manager Paula Beaton told the meeting: “Everyone here is in a very difficult position. It’s been a horrific experience for all parties.”

Some people were looking at reverse mortgages to fund the levies, she said. People were desperate to get access to their apartments again, some to sell them.

People with apartments from the ground floor up to level 12 had not been able to access their apartments for 18 months.

Asked after the meeting what would happen following demands for an extraordinary general meeting, and arbitration, Beaton said a response would be going to all owners next week.

ROB STOCK/STUFF

Remediation work to fix the leaky building Victopia in Auckland has sparked a rebellion from some owners of apartments in the complex.

Anger in Victopia has been simmering for years, and broke into legal conflict in 2019 when Jacqui Turner, chairwoman of the body corporate committee failed in an attempt to get a restraining order against apartment owner Kas Ikeda.

The Auckland District Court did not accept Kas' emails to Turner amounted to acts of harassment.

"It is clear that Ms Turner regarded them as irksome and indeed she said she did not read some of them but they did not distress her to the point that she feared for her safety," the judge said, dismissing her application.

Turner appealed, but the High Court in Auckland dismissed her appeal.

Ikeda, who had formerly served on the body corporate committee, had won a Tenancy Tribunal case the previous year in which he challenged the validity of the body corporate election at the 2017 annual meeting in which he was denied a seat on the committee.



The tribunal found that “the evidence demonstrates that Mr Ikeda was likely short-counted on the vote tally”.

The tribunal likened a body corporate to a mini-democracy, where every unit-owner had voting rights.

“I have reached the view that some of the actions by BCA leading up to the AGM and in terms of the actual vote counting created an unfair and potentially undemocratic environment,” the tribunal adjudicator said.

This year, Kas hired quantity surveying company Construction Cost Consultants to scrutinise the costs of work done on balcony repairs last year and claims to have discovered overspending of more than \$1m.

The overspending was raised at the information meeting, and apartment owners were told a response was being prepared.

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