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Victopia apartment owners 'forced to sell'

Miriam Bell · 10:14, Oct 27 2021

23



STUFF

The nightmare of leaky, rotting houses first emerged in the 1990s. It's cost homeowners billions of dollars.

Owners of apartments in a defective apartment block in Auckland's CBD may be forced to sell because they cannot afford the body corporate's latest levy payments.

This left owners expected to pay additional costs of between \$100,000 to \$150,000 each by early October.

Despite objections, protests and Tenancy Tribunal rulings in their favour from 56 of the 203 owners, who felt they were being overcharged, and that the repayment schedule was unreasonable, the body corporate committee has pressed ahead with its collection plans.

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Last week Body Corporate Administration, which administers the committee, sent out an ultimatum for owners to pay up by October 19 or face legal action from the next day on.

In a letter, seen by *Stuff*, the committee said the remediation works could not be allowed to stall due to lack of funding.

“A consequence of this would see a significant cost increase both through the procedures required to re-start works, and of course, the extended time frame until certified completion.”

It said it trusted legal action would not be necessary, but the body corporate had an obligation to everyone to ensure the completion of the remedial works.

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ROB STOCK/STUFF

Owners of apartments in the Victopia building have been given an ultimatum to pay or face legal action.

But the dissenting owners said the letter was threatening and left them feeling nervous, and it also meant some owners would be forced to sell.

Kas Ikeda, who is the spokesman for the group, said at least six owners were selling their apartments as they could not afford to pay the committee's additional levies.

They were not able to borrow money from their banks and selling was the only way to pay and escape from the ever-escalating costs of the situation they were in, he said.

"We have never said that we will not pay our remedial levies. Rather we have said that we will only pay fair and reasonable repair costs for reasonable repairs."

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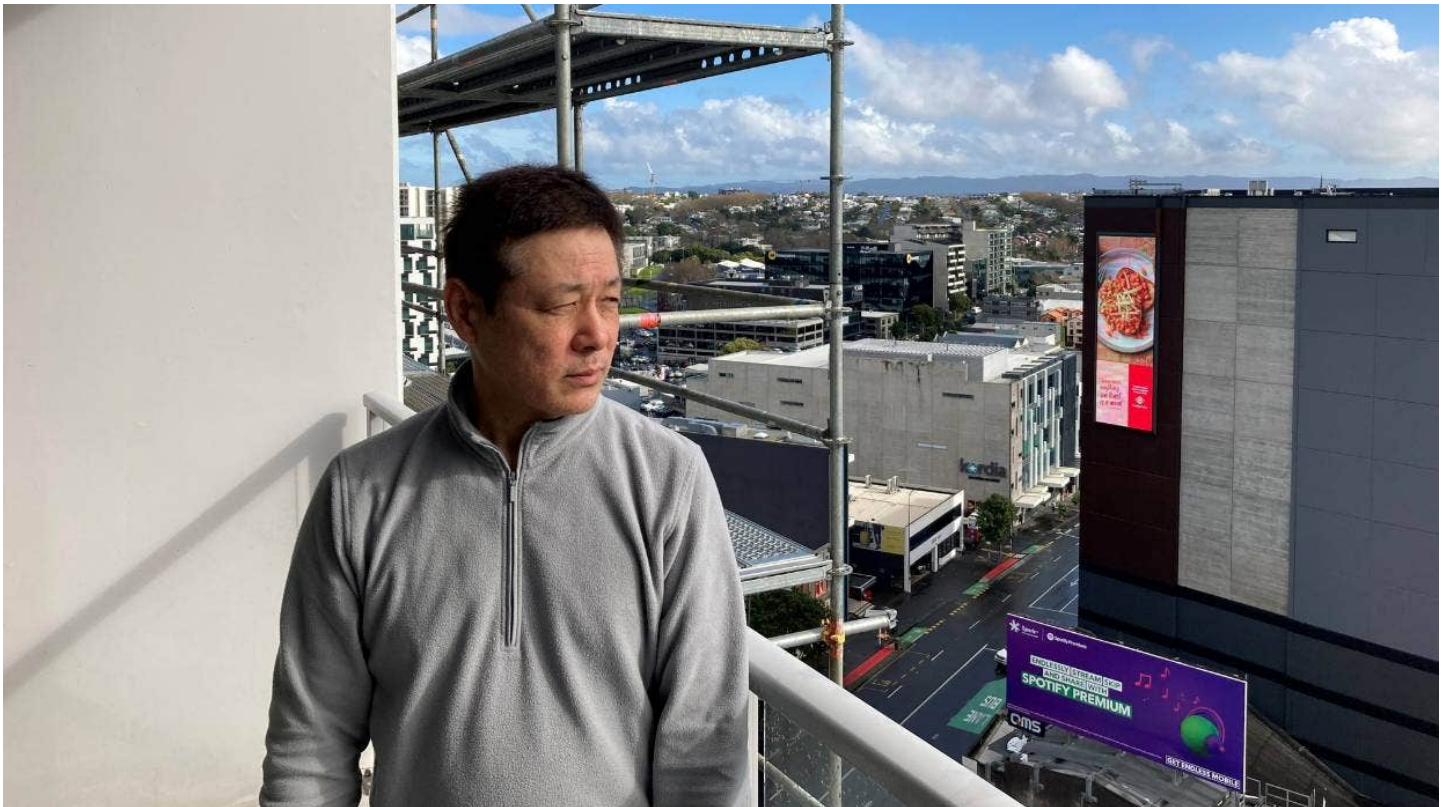
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miriam.bell@stuff.co.nz

The group was questioning the validity of the levies and the dispute was now going to arbitration, he said.

Paula Beaton, who is spokeswoman for Body Corporate Administration, has previously said the tribunal decisions, which the committee was appealing, and the arbitration, had no impact on the levy payments.

But Ikeda said their lawyer, Tim Herbert, had advised them there was a strong argument that any proceedings the committee brought to recover the levies should be stayed, pending the result of the arbitration.



ROB STOCK/STUFF

Kas Ikeda, who represents the dissident Victopia owners, says some are being forced to sell up to pay their levies.

Herbert was writing to the committee to make this point clear and to inform them that any attempt to recover the levies would be opposed on that basis, he said.

Escalating [leaky home remediation costs](#) have led to severe financial hardship for owners in other buildings over the years, and [some have been bankrupted and left homeless](#) by them.

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– **I?vebeenthinking** 21 hours ago

I think the biggest tragedy of leaky homes has been the unwillingness of all past and present governments to remedy the issue. It makes you wonder who governments actually work for when the sloppy building problem has been around for 30 odd years.

There are potential solutions. Firstly requiring ongoing insurance for new builds - say for twenty years. Allowing actions against limited liability directors, not allowing directors to set up new companies for ten years. Could be all sorts of other sanctions worth considering. Perhaps even, as they have it in Canada, you have to have your own property agent when buying these properties. They owe you, not the owner, the duty of care and will, hopefully, do better due diligence. As I said though government should be looking after the citizens

real estate

Don't trust many developers out there as they are only in for the quick dollar and not worrying about quality build's. Too many buildings have a tight completion time to complete regardless of consequences to the buyers so money takes priority and quality goes out the door. Buyer beware of new builds.

 **Respected 2**  Reply  Share

– **AGreatNZealander** 23 hours ago

This is just a risk inherent in investing in property. Pay your bills or sell up. I don't see any problem with this. Its crazy that this is even seen as news. Who do they think will pay to fix up their building? Other owners? These people need a dose of reality, if you dont like it, dont take the risk and put your money in the bank instead.

 Respect  Reply  Share

– **Daniel Eyre** 22 hours ago

 In reply to **AGreatNZealander**

You don't have a problem with buildings being built not to regulations and people buying them faulty & unaware?

Not such a "great" New Zealander at all it would seem...

 **Respected 3**  Reply  Share

– **fishman68** 1 day ago

Rule number one....never buy leasehold. Rule number two, avoid leaky builds like the plague.

 Respect 1  Reply  Share

– **Fenton78** 1 day ago

There must be a better way of organising apartment living than our body corporate fees. How do other countries with millions of people living in apartment blocks manage the fees involved with the upkeep of the main building? Our system always seems to end with the poor people who own the apartments (many of which are people priced out of owning a standalone home) being fleeced to pay for these repairs over which they have no control. There seems to be no protection for those that buy the apartments

 **Respected 5**  Reply  Share

– **Daniel Eyre** 1 day ago

 In reply to **Fenton78**

Other countries use... ..body corporates.

I thought you're supposed to be from England. How do you not know that.

 Respect 1  Reply  Share

| – **Fenton78** 23 hours ago