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CMHC denies claims: Agency responsible, class-action suit says

The Canada Mortgage and Housing Corp. has denied all allegations in a class-action lawsuit claiming the federal housing agency was responsible for the West Coast's multimillion-dollar leaky-condo crisis.

In a one-page statement of defence filed in the Supreme Court of B.C., CMHC said it "denies each and every allegation of fact contained in the statement of claim" except for the names of the representative plaintiffs, the addresses of their condo and itself as defendant.

The seven-page statement of claim, filed in early December on behalf of thousands of leaky-condo owners with \$5,000 to \$100,000 bills to repair water-damaged building envelopes would, if successful, put the agency on the hook for millions of dollars.

The representative plaintiffs are Surrey Coun. Linda Hepner and her husband, Alan McMillan, student registrar for the Emily Carr Institute of Art and Design. They spent about \$65,000 to repair their share of an eight-unit, three-storey wood-frame building in White Rock.

Their lawyer, John Singleton, said internal CMHC documents show the CMHC knew the design of stucco buildings, combined with energy-efficient requirements, caused the water damage and it had a duty to pass along that knowledge to homeowners.

He said the filing of the defence means the suit can move on to the next stage, likely in the spring or fall, in which the courts will decide whether to certify the action.

A previous class-action suit naming the CMHC didn't make it past the certification stage.

The provincial Homeowner Protection Office has paid out \$350 million to 11,226 homeowners in 739 buildings for an average of \$31,000 in repairs for each unit.

slazaruk@png.canwest.com