

MALG confirms class action against BGC Housing is in the works

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Hundreds of home owners who suffered delays in construction are now launching a class action against the housing group responsible, which Lawyers Weekly has been told will result in a multimillion-dollar claim.

One of Australia's largest home-building groups, BGC Housing Group, is the subject of a new class action from clients who are fed up with delays in building new homes.

In the proposed class action, Morgan Alteruthemeyer Legal Group (MALG) is investigating a legal claim on behalf of affected home owners regarding the impacts of construction delays. According to the firm, there "appear to be causes of action under the Australian Consumer Law, the *Home Building Contracts Act 1991* and the individual building contracts" of affected home owners.

A Facebook group has also been created and is run by a small group of home owners affected by the building delays and increased build costs, and currently has over 1,600 members and is in touch with MALG "regularly" to provide additional information.

According to the Facebook group, the class action will allege that home owners suffered building delays and extensions "outside of what is fair and reasonable", as well as building contract issues with the group and price increases following the commencement of construction delays.

However, late last year, a BGC Housing Group spokesperson told *WAtoday* that the group's construction times – between 18 and 24 months – matched up with industry standards.

"Residential construction across Australia has been impacted by severe labour and material shortages as a result of the pandemic," they told *WAtoday*.

"The June Housing Industry Association trades report records the availability of skilled trades across Australia was at its most significant shortage since the inception of the report in 2003. This has resulted in delays for many home builders, which is understandably frustrating."

Despite this, earlier this month, the group paused new home builds to focus on finishing houses already under construction, as reported by *7News*.

BCG Group told *7News* that this shift in focus would enable it to "direct all its resources and attention to completing the builds for [their] existing customers".

The proposed BGC Group Class Action includes the following home builders: BGC, HomeStart, Smart Homes for Living, Aussie Living Homes, Terrace Homes, Now Living, Ventura South West, Commodore Homes, GO Homes, Perceptions, Impressions the Home Builder and National Homes.

MALG is currently in discussion with litigation funders, but told Lawyers Weekly that there are “more than 600 pre-qualified parties involved to date” with thousands of delayed home builds, and that the claim was likely to seek compensation in the “multimillion-dollar” range.

“MALG is currently engaged in confidential discussions with litigation funders and will advise of any further developments,” the firm confirmed in a statement.

“Anyone who signed home building contracts with builders who are part of BGC Housing Group and who have experienced construction delays are invited to go to www.bgcclassaction.com.au to provide their details and to fill out the questionnaire.”