

POLITICS VICTORIA **CLADDING CRISIS**

Cladding crisis leaves \$5m apartment block in limbo for almost a year

By **Clay Lucas**

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A \$5 million apartment development in Port Melbourne, finished but vacant for almost a year, is the latest building to be caught in a bureaucratic quagmire caused by the flammable cladding crisis.

Building consultants and the developer of the high-end Sable Bleu apartments, completed last May but still lacking a crucial occupancy permit, insist they are safe to occupy.



The \$5 million Port Melbourne apartment development that has sat vacant for almost a year. JOE ARMAO

They point out that the Victorian Comprehensive Cancer Centre – which is safe to occupy – is clad in near-identical materials to the four-level residential

development.

The apartment block is one of several caught out by changing regulations and a refusal by insurers to cover surveyors inspecting buildings with cladding issues.

The Victorian Building Authority is refusing to allow occupancy permits on the Port Melbourne apartments to be issued. This final step would allow buyers to make a final payment on their home and move in.

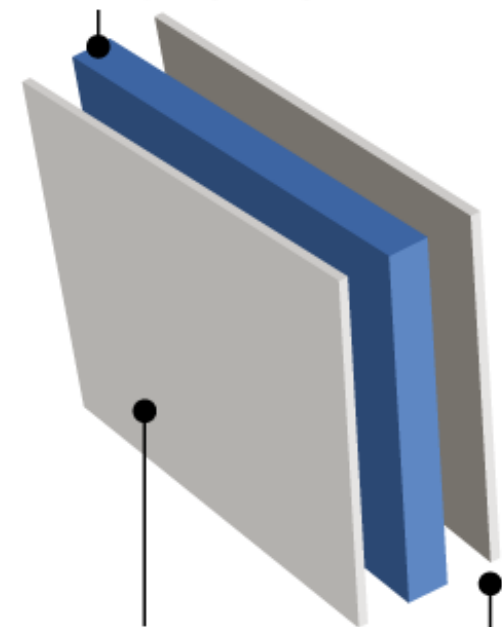
The authority warns that, if it did issue occupancy permits, new owners could end up saddled with a repair bill of more than half a million dollars.

Aluminium composite cladding panel Flammable core

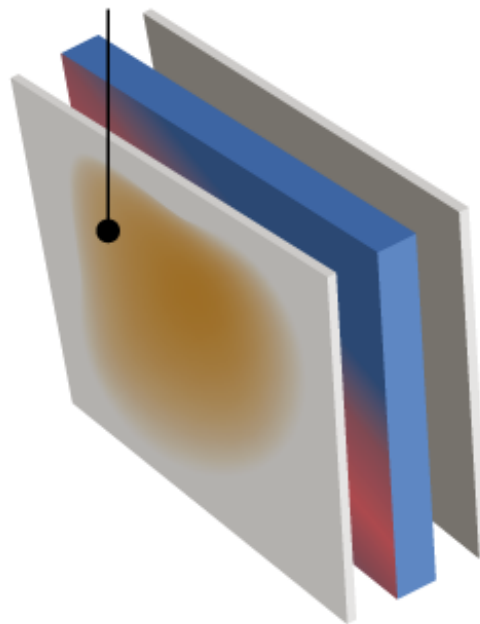
Insulating core
2-5mm thick,
100% polyethylene

Heat from a fire will
conduct quickly to the
core through thin
aluminium

Core loses
bind, causing
skins to de-
laminat



Surfaces
0.5mm thick
aluminium skin



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Graphic: Jamie Brown

The building is made up of one, two and three-bedroom apartments. A one-bedroom apartment in the development was listed at \$520,000 in 2016, while another online valuation puts a two-bedroom apartment at \$1.05 million. The median price for a three-bed apartment in Port Melbourne is \$1.3 million.

Those who have bought apartments off-the-plan in the development will have paid between 5 and 20 per cent of the sale price.

The opposition's planning spokesman, Tim Smith, said the process that had led to the building sitting vacant for 10 months was a mess and the result of confusion in the industry over cladding.

"This is what happens when you have a regulator that refuses to regulate," he said.

Leaked documents reveal concerns over hundreds of sites as the Government refuses to say which taxpayer-owned buildings could at risk due to flammable cladding.

There has been concern about cladding on thousands of buildings in Australia since fire tore up the side of a Docklands tower in 2014, causing \$12 million damage. Those fears grew after London's Grenfell Tower fire, where 72 died.

The 14 boutique Port Melbourne apartments were built by developer Rouse 286 and sit on a corner block that, coincidentally, was in 1897 the first site in Melbourne connected to the city's sewage system.

The company's director and secretary Selwyn Blackstone declined to speak with *The Age* about the issues surrounding the building.

But his lawyer Les Schwarz, a highly experienced construction law expert, said his client was being failed by the system "by not allowing a building surveyor to issue an occupancy permit".

The building surveyor that Mr Blackstone's company used for the project, Alan Lorenzini, has come under intense scrutiny for his work on a Mordialloc apartment block.

That property was so riddled with faults that residents were evacuated from it by the VBA last year.

As a result of the question marks raised by the VBA over Mr Lorenzini's fitness to practice as a surveyor, he has been unable to give a final sign-off on the Port

Melbourne apartments. Mr Lorenzini did not respond to requests to be interviewed over the project.

The developer has attempted to get another building surveyor to sign off on the building. However changes to liability insurance covering the industry have left other surveyors unwilling to take the risk of doing so.

Planning Minister Richard Wynne said the developer was "responsible for the removal of non-compliant cladding and ensuring the building is safe to occupy".

A spokeswoman for the VBA said the developer had been issued an order to fix the building, and that the order protected buyers from handing over final payments for apartments that they might later have to pay to repair.

She said the authority was taking disciplinary action against the building surveyor that was currently before the state planning tribunal.



Clay Lucas



Clay Lucas is a senior reporter for The Age. Clay has worked at The Age since 2005, covering urban affairs, transport, state politics, local government and workplace relations for The Age and Sunday Age.
