



Condo HOA Gets More Than \$8 Million for Building Defects

Barker Block Residents Complain Building Had Plumbing and Other Deficiencies

By Nicholas Slayton

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DTLA - Residents of the Arts District condominium complex the Barker Block have received more than \$8 million to settle lawsuits that allege construction defects. Building occupants had long complained of problems including leaks and plumbing shutdowns. The first settlement, of \$7.3 million, comes from insurance companies representing project developers the KOR Group and CityView.



“We resolved the installation issue with the builder and insurance companies,” said Thomas Miller of the Miller Law Firm, who represented the plaintiff, the Barker Block Homeowners Association. “Our goal [was] to resolve this before it goes to trial so that the association can make the repairs it needs to and move away from this.”

The money goes to the 310-unit complex’s HOA, not individual residents. The funds will be used for repairs and replacement of faulty or inoperable systems inside the Barker Block, according to a statement from the board of directors of the HOA.

The Barker Block is a six-building residential complex at 530 S. Hewitt St., across from Urth Caffe and the new Arts District Park. Initially a storage space and factory for the Barker Brothers department store, it was turned into housing by Los Angeles developer KOR Group, utilizing some of the original timber and bricks. The first phase of 242 condominiums opened in 2006.

The 2008 financial crisis halted the construction of the rest of the project. Eventually, development firm CityView took over to build the \$25 million final phase of 68 condos, which debuted in 2014. The KOR Group helped to market the last phase of the complex.

In 2014, CityView Managing Director Con Howe told Los Angeles Downtown News that some units were priced at more than \$1 million.

The attorneys who represented the developer group in the lawsuit did not respond to multiple requests for comment. Representatives for CityView declined to comment on the case and settlement.

Miller said that problems were first reported in 2013. In 2014, he added, Barker Block occupants were dealing with almost daily plumbing and waterproofing issues.

Examinations by experts hired the Miller Law firm found deficiencies across the complex in the plumbing, along with waterproofing problems on the windows, roof and the underground garage. It also cited discolorations and cracks on the pool deck. Investigators found that problems stemmed from installation and construction of the complex. Many of the problems have not been repaired, though some were addressed, said Miller.

“There were emergency repairs, a lot of which have dealt with water intrusion into units with plumbing issues,” Miller said.

Miller said the HOA met with representatives of the developers in the effort to resolve the issue, but negotiations failed. That led to the lawsuit, which was filed in 2014, and eventually the settlement.

“If we did not pursue these funds, and accepted the builder’s appalling position to specially assess ourselves, all owners would have faced tens of thousands of dollars each to pay for these repairs,” HOA Board of Directors President Russell Roney said in a prepared statement.

Roney declined to comment further. A representative of the Miller Law Firm showed Los Angeles Downtown News around the complex.

All of the units in the Barker Block were sold, and the building is operated and overseen by the HOA through an independent property management firm. CityView and the KOR Group are no longer involved in the complex.

As of this month, settlements have been reached with all remaining parties. The total amount paid is \$8,155,000.