IN THE SUPREME COURT OF BELIZE, A.D. 2019

CLAIM No. 289 of 2019

BETWEEN	(WILLIAM MENTGEN	
	(TANYA MENTGEN	CLAIMANTS
	(
	(AND	
	(
	(MARTIN GALVEZ	
	(d.b.a. MSG CONSTRUCTION	DEFENDANT

Before: The Hon Westmin R.A. James

Date: 31st August 2021

Appearances: Mr William Lindo for the Claimant

Mr Leeroy Banner and Ms Misty Marin for the Defendant

JUDGMENT

- 1. The Claimant, by an Amended Claim Form and Amended Statement of Claim dated the 6th day of December, 2019 brought this claim against the Defendant, Martin Galvez, d.b.a. MSG Construction in respect of the Defendant's alleged breach of a building contract; payment of monies had and received for a consideration which has wholly failed; payment of monies paid on behalf of the Defendant; payment of monies lent to the Defendant; special damages; general damages; interest and costs of Court.
- 2. The Claimant claims the following reliefs, namely:
 - a. Damages for the Defendant's breach of a contract made in writing and dated the 21st day of June, 2017 made between the Claimants and the Defendant (the 'Building Contract');
 - b. Payment of the sum of USD \$34,246.63 as monies had and received by the Defendant for a consideration which has wholly failed;

- c. Payment of the sum of USD \$7,057.81 for money paid by the Claimants to AL Construction Limited;
- d. Payment of the sum of USD \$36,000.00 as money lent to the Defendant;
- e. Special damages in the sum of USD \$37,684.71 incurred by the Claimants as a result of the Defendant's breach of the Building Contract;
- f. Damages for loss of rent occasioned by the Defendant's breach of the Building Contract;
- g. Interest pursuant to section 166 of the Supreme Court of Judicature Act on such sums and at such rate and for such period as the Court thinks fit;
- h. Interest pursuant to section 167 of the Supreme Court of Judicature Act on such sums found to be due at the rate of 6% per annum from the date of judgment until payment;
- i. Costs; and
- *j.* Such further and/or other relief as the Court deems just.
- 3. The Defendant relied on his Defence dated the 10th January, 2020 in which he denied liability. The Defendant to the Claimants and filed a counterclaim for:
 - a. Damages for breach of contract;
 - b. Interest at the Supreme Court rate of 6%; and
 - c. Costs.
- 4. Trial of the claim took place on the 4th day of May, 2021.

ISSUE

5. The main issue to be determined by the Court is who breached the building contract and what damages, if any, is that person entitled to?

Background

6. On or about the 21" day of June, 2017, the First Claimant and the Defendant entered into an agreement with the Defendant for the construction of a concrete house in Placencia elevated 10ft above the ground, concrete storage room and garage on the ground floor and 2 bedrooms with complete bathrooms. The first

floor would contain one bedroom one bathroom, kitchen and living are of approximately 1,600 square ft. including an approximately 688 square ft. tiled covered veranda, septic tank and soak away (the "Project"). In accordance with the Building Contract, the Defendant was to complete the Project within 9 months from the execution of the said Building Contract. Plans and Bills of Quantities were stated to be attached to the Contract.

- 7. The total contract value was \$460,000.00 but the Bill of Quantities submitted by the Claimant which was dated October 2017 have a total of \$510,976.54 to make room for contingencies. This \$510,976.54 was repeated in several progress reports. The progress report dated 15th August, 2018 at item 4 it stated that "What we do notice however is that a contract was signed on the 21st of June 2017 and the contractor should have started some three days thereafter or after he received his first disbursement. Base on the contractor's comments, such works started until October 2017. If we take the contracted date of June 2017, then the project should have been finalized on the ending of March 2018. If we consider the contractors information that he started in October 2017, then project should have concluded in June or July 2018 at the latest." This would have coincided with an estimate or Bill of Quantities in October 2017 which included a Talpa Roof. The Report concluded that "of importance is to establish real starting date of the project to establish whether the status to date of the project is in par with the proposed time frame."
- 8. However, the Defendant has not stated that they commenced work in October 2017 nor did they seem to deny that the completion date was initially March 2018. In fact another document submitted to the Court, the loan document, it was recited that the Defendant acknowledged the project started in June 2017. Further by email dated 7th March, 2019 the 2nd Claimant wrote to the Defendant asking when he thought the completion date would be. She then said she had a container coming in and made arrangements for temporary storage until 9th May, 2018 and wondered whether the Claimants could be moved in by then. The Defendant by email that same day said "Will definitely do my best. Will have a better answer when we are finished with stucco. Another 5 days" It is clear to the Court that the Claimant accepted that the construction was not going to be completed by March 2018 and was agreeing to a new date for completion. There is no further evidence by either

party about the new date. The Defendants evidence was that the project was delayed for several reasons but never gave evidence of the date for completion. The Defendant has not contended the date was July 2018 or that he rejected the date of March 2018 for completion. Especially since project updates were given after the March date, I hold on a balance of probabilities that that the initial date for completion was March 2018 but was extended to at least May 2018.

9. On the 19th of April, 2018, DIEMA: Consulting Architects & Engineers ('DIEMA') carried out an inspection of the Project and thereafter issued a Progress Inspection Report on the 16th May, 2018 it stated:

"The building is being built as per plans, of good quality and finishes.

Works are ongoing on the structure on the second and third floor and mostly as per plans and specifications,

Renderings have already been done on all cemented walls.

WORK PROGRAM

To date investment has been done to some 33% as per the estimates submitted.

Based on the scope of works done during this reporting period, we are not certain as to a time frame for the completion of the project.

ESTIMATE OF WORKS PENDING

As per the estimates submitted we consider the project can be finalized with the estimates submitted."

10. On the 15th of August, 2018, DIEMA conducted a second inspection of the Project and issued another progress report. The report stated:

"3. WORK PROGRESS:

- 1. On inspection realized on the 15th August, 2018 we established percentages completed on all items as per the Bill of Quantities provided. Attached we have table 1 which specifies percentages applied to each item of the BQQ.
- 2. Based on value of works completed we have established that some 70% of the contracted total has been invested in the project.
- 3. It seems there have been some changes in specifications such as plumbing construction, floor and ceiling finishes amongst others. No written documentation

was shown to us as to the extent of the same and whether they have modified the contracted total.

- 4. Overall the works seems to be of acceptable quality and standard."
- 11. It is important to note that the report stated under Status and Prospects the following:

"It has come to our attention, by the contractor, that there are some frictions between himself and the owner. For some reasons the contractor has not been performing to the expectations of the client. According to the contractor, the owner plans to seek another contractor to finish the works.

We have been informed that the contractor is seeking quotes on windows and doors on his own and not informing the contractor. From our knowledge of the contract agreements, the contractor should be involved in this process as he has submitted a quote for the same. Changes would need to be negotiated by both, before the client proceeds to purchase as the mark up of the contract can be affected.

On day of inspection after the contractor had left, the banks representatives and myself were still on site when third parties arrived and started taking measurements of some doors and windows. This confirmed the contractors comment to this regard."

- 12. The main conclusion of the report was that the communications between the owner and contract are not that favourable for the culmination of the project. It is also concluded that the Claimant planned to change the contractor.
- 13. The Report went on to state that:

Total budget as per Bills of Quantities \$510,976.54 BZD

Total Value of Works done to date: \$341,394.00 BZD

Pending Value of Works: \$169,582.54 BZD

14. The Report indicated that the works pending to be completed can be realized providing they are within the specified budget and at 9 certified:

- "1. The value of the monies invested in the project are of a total of \$341,394.00 BZ currency
- 2. The quality of works are to acceptable local standards."
- 15. It also suggested that disbursement be made in smaller quantities of \$50,000.00 and check before subsequent disbursements and gave a 6-8 weeks completion for the project.
- 16. Two weeks later by letter dated the 30th August, 2018 the Claimant through their Attorneys-at-Law terminated the contract with the Defendant. The letter stated "... you received upwards of USD\$183,142.42 from our Clients, and according to an inspection report carried out by Diema Consulting Architects and Engineers on the 15th August, 2018 there is a shortfall in the value of the works in the Project of over USD\$12,445.42 (exclusive of the costs of remedial works.)" It goes on to say that "our clients have made repeated demands that you make good the shortfall in the value of works in the Project and to remedy the defective works. All such demands have been ignored to date and the project remains substantially incomplete."
- 17. The letter stated that "it is evident from the circumstances above, in addition to other breaches, that you have abandoned the Project and have no intention of making good the shortfall in the value of works and carrying out the remedial works which amount to a repudiatory breach of the Building contract." The letter goes on to purportedly accept the repudiatory breach and gives notice of their acceptance of the breach and their decision to treat the Building Contract as discharged from the point of the said breach.
- 18. Interesting the letter of termination stated that "Our Clients are willing to forgive the debt owed to them and would release you from any claim they may have now or in the future in exchange for your compliance by immediately ceasing and desisting from harassing our Clients, their servants agents and/or employees in any form, inclusive of criminal threats, and trespass."
- 19. On the 6th of September, 2018, Conkreet Constructions Management & Designing ('Conkreet') carried out an inspection of the Project. Conkreet issued a report in which it stated that, the Project agreed value to complete was \$510,976.54, the work

completed was 59% and valued at \$297,789.58 and the value to complete the work was \$199,511.19. It stated that the quality of the work observed was 50%. It concluded that "from personal observation, the current project is assumed approximately 60% complete, and the quality of craftsmanship is below average. With reference to the data from estimate, it places the total amount of work completed at 59% and the quality of craftsmanship at 50% which is below average. Some work sections completed will need to be mended others need to be removed and redone at a new cost since it will now include demolition, new material along with additional labour costs."

- 20. The report admitted that the information contained in the site observation report had been prepared based on observable conditions at site on the date of inspection. It also stated that "some matters were not awarded percentage because they were already concealed by ongoing works." Importantly it stated that the overall work percentage quality is based solely on items awarded a rating.
- 21. The Claimant allege the following breaches of the contract:
 - a. He failed to superintend the construction of the Project properly or at all or to ascertain and remedy any defects in the works;
 - b. He failed to superintend the construction of the Project properly or at all or to ensure that the works were being carried out in accordance with the Plans and the Bill of Quantities;
 - c. He failed to take any or any adequate steps to ensure that the construction of the Project would be completed no later than March, 2018.
- 22. The evidence on both sides was a bit lacking. While the documentary evidence was greater on the Claimant's side it was not fulsome to give the Court the full picture of what was going on and to prove some of these breaches. The Defendant especially has not produced any documentary proof to substantiate its counterclaim and refute much of the allegations of the Claimant and so much of the claim is determined on the evidence produced to the Court by the Claimant and whether it satisfies its burden of proof. Much of the written contract was not followed in terms of procedure contained in the contract on both sides. I will deal with each breach of contract in turn. The Claimant in its submissions mainly relied on the failure to complete within the requisite time. Save for one fact when

referring to the totality of the evidence about remedial work the Claimant did not focus on the defects.

- a. Defects
- 23. Having regard to the fact that the Claimant did not produce any evidence that he brought to the attention that there were defects and the fact that two progress reports produced by the Claimant did not indicate any defects but in fact said the opposite. The Report of 15th April, 2018 stated that "overall the works seem to be of acceptable quality and standards." And the 15th August, 2018 the report upon which the Claimant partially relied to terminate the contract stated that "the building is being built as per plans, of good quality and finishes."
- 24. The Report produced by the Claimant in September was after the Claimant terminated the contract and could not be the basis of termination. Further that report states that other people were working on the project and he could not access some of the things to determine quality.
- 25. I agree that pursuant to Section 4.1. of the Contract the Claimant should bring these matters to the attention of the Defendant IN WRITING and be given an opportunity to remedy defect. The Claimant made reference to emails but did not provide any in his evidence to substantiate bringing the allegations of defects to the attention of the Defendant. I therefore hold that this breach on a balance of the evidence was not made out.
 - b. Works not in accordance with plans and Bill of Quantities
- 26. The claim under this head of breach is likewise not made out. The Progress report submitted by the Claimants for April 2018 stated "The building is being built as per plans, of good quality and finishes. Works are ongoing on the structure on the second and third floor and mostly as per plans and specifications," it also says "as per the estimates submitted, we consider the project can be finalized with the estimates submitted." The progress report of the 15th August, 2018 also did not say that the works were not in accordance with the plans or Bill of Quantities not agreed to by the Claimant. In fact, it acknowledged that there were some changes in specification such as

plumbing construction, floor and ceiling finished amongst others seemingly agreed between the parties. The Claimant admitted to changes but said it would not have delayed the project. This was another example of lack of evidence from either side. This meant there were agreed changes not in writing. There was insufficient evidence to suggest that there was such a breach.

c. Delay

- 27. It is obvious that the Defendant did not complete the project on time. March deadline was not met, the May deadline was not met, not even the July deadline which would have been the outer limit if one accepts that the contract started in October 2017 was not met.
- 28. The Defendant admits that due to his illness in January 2018 the project was delayed. Whether the Claimants knew of the Defendant's surgery or not was irrelevant, the Defendant had a responsibility to make alternative arrangements and complete by the relevant deadline or get an extension. As I have held the evidence presented to the Court suggested that the Claimants did agree or consent to an extension of time for the Defendant to complete the project to at least May 2018. Again, there was a lack of evidence on both sides as to any agreement subsequent to that date. By that time of May there was no illness so that could not be a reason for the failure to complete.
- 29. The Defendant also alleged that it was the Claimants' fault as to the failure to complete since they changed plans and failure to make payments in time. If the failure to meet the deadline is due to the Claimants, then there would be no breach by the Defendant. The Defendant however has not provided much evidence to substantiate these allegations.
- 30. In relation to the changes to the project, the August 2018 report shows that there were changes made but nothing to suggest this would delay the project. The report stated "It seems there have been some changes in specifications such as plumbing construction, floor and ceiling finishes amongst others. No written documentation was shown to us as to the extent of the same and whether they have modified the contracted

- <u>total</u>." There is no evidence from the Defendant whether it be in writing or email relative to the changes and the impact on the completion date of the project. With no evidence provided by the Defendant in this regard it is not clear to the Court that any changes that needed additional time was made clear to the Claimants.
- 31. The Defendant also submitted that Claimants failed to make payments in time and that caused delay. The Defendant did not provide any evidence to show that the payments made by the Claimants were not done and caused the delay. There is no documentary evidence bringing this to their attention pursuant to the contract. Further the Defendant's own evidence was that the Claimants opened an account with AL Hardware so as to get the materials and that remedied the issue of providing the Claimant with money to purchase supplies. The Defendant in his witness statement spoke to an incident in December 2017 but this could not be an issue in July 2018 about payment. Whether the drawdowns from the bank caused delay the Defendant never wrote to the Claimant indicating the breach or failure to comply with the payment schedule is what caused the delay in the project. Therefore, I cannot find that the delay was that of the Claimants to prevent the Defendant from completing the project.
- 32. I disagree with the Defendant that there was not a new date of completion. The evidence suggested that May 2018 was an identifiable date from the Claimants for the completion and the Defendant has not produced any evidence to the contrary. There was also no evidence by the Defendant to show that what occurred after May relative to the date for completion. There is no communication produced to the Court between the parties by either side about the date for completion after May 2018. What was obvious as identified in the August progress report was that the relationship between the parties was breaking down and in August 2018, the Claimants were looking for another contractor.
- 33. On a balance of probabilities, I find that the Defendant breached the contract by not completing the project by May 2018. With this finding I do not hold that the Defendant made out his counterclaim and so that would be dismissed.

DAMAGES

- 34. As stated earlier interestingly the Claimants in their letter of termination was not only indicating they were forgiving the debt but would not have brought any claim they may have had then or in the future in exchange for the Defendant's compliance with the termination. The Defendant has not plead any estoppel or even provided evidence relative to his compliance so that this aspect of the letter could have been addressed by the Court. The Claimant is therefore entitled to damages for the breach of the contract.
- 35. The Claimants' claim for damages is under several heads. The Claimant is entitled to put back as if the contract had been performed. The Claimant has made claims for special damages so there is no need for nominal damages for breach of the contract since there is arguable identifiable loss of the Claimants. I would look at each claim in turn.

Payment of the sum of USD \$34,246.63 as monies had and received by the Defendant for a consideration which has wholly failed & payment of the sum of USD \$7,057.81 for money paid by the Claimants to AL Construction Limited;

- 36. The Claimants pleaded the sum of USD \$34,246.63 as monies had and received for a consideration which has wholly failed and the amount paid on behalf of the Claimant to AL Construction Limited in the sum of USD \$7,057.81 for a total of USD \$41,304.44.
- 37. The monies paid to AL Construction Limited was monies paid on behalf of the Defendant towards the completion of the contract which the Defendant was liable for and really being advanced by the Claimant. Therefore, it should be added to the amount that was paid to the Claimant.
- 38. The Defendant has admitted under cross-examination that he received approximately USD \$165,000.00 from the Claimants towards his performance of the Building Contract. When one adds the monies paid/agreed to on the Defendant's behalf to AL Construction Ltd the Defendant would have had the

benefit of \$172,057.81 USD/\$344,115.62 BZD. The Report of 15th August, 2018 produced by the Claimant was that:

Total budget as per Bills of Quantities \$510,976.54 BZD

Total Value of Works done to date: \$341,394.00 BZD

Pending Value of Works: \$169,582.54 BZD

- 39. The Expert produced by the Claimant opined on the cover page of his report dated the 25th February, 2021, that:
 - "2. The value of construction work performed during the Period of Interest is on the order of \$281,000.00. This does not include items for which the Expert could not assign a value due to inability to determine extent of works performed during the Period of Interest and to separate from subsequent works."
- 40. Having regard to the fact that the expert report and the report of September 2018 does not fully value the work done on the property. Having regard that it was done after another contractor already came in and was doing work and that it was not the basis upon which the contract was terminated, I would accept the progress report of the 15th August, 2018 as a true state of the project during that time. That report said that the total value of the work to that date was \$341,394.00 BZD. The difference between that amount and the sum advanced to the Defendant of \$344,115.62 is \$2,721.62 BZD. The Claimants are therefore entitled to the sum of \$2,721.62 BZD.

Payment of the sum of USD \$36,000.00 as money lent to the Defendant

- 41. Under this head of damage, the Claimants' claims recovery of monies lent, or advanced to the Defendant, to assist him in his performance of the Project.
- 42. The Claimants' evidence to substantiate this is an Agreement entitled "Operating Agreement for 242 Caribbean Way, Stann Creek, Belize."

- 43. The Defendant has not addressed this agreement in his witness statement and when questioned at trial he did not recall the document, not that he did not sign it. Again, it shows the lack of evidence on the side of the Defendant.
- 44. By the terms of the operating agreement, the Defendant admitted that he had received the sum of USD \$37,181.35 or BZD \$74,362.70 which the parties treated as a loan. The contract however went on to say that the amount will be considered re-paid once the CONTRACT has met the requirements of the 40% completion as specified and inspected by the ARCHITECT, INSPECTOR and the BANK AUDITOR.
- 45. In cross-examination the 1st Claimant admitted that the Contractor completed the requirement to the 40% and as a result they received the loan from the bank. The Agreement did say that the Defendant was to complete the 40% by December, 2017 but it doesn't seem that the Claimants made any issue of this date or brought the loan to an end as a result. Pursuant to the agreement that the Claimants produced the loan was repaid and so the Claimant is not entitled to such sum.

Special damages in the sum of USD \$37,684.71 incurred by the Claimants as a result of the Defendant's breach of the Building Contract.

- 46. Under this head the Claimants in the Amended Statement of Case claim the following:
 - a. Monies paid to Louis Choc for the completion of a palapa \$4,300.00 USD
 - b. Monies paid for remedial works \$ 8,229.00 USD
 - c. Costs of airfare and accommodation to ensure completion of construction \$23,315.63 USD
 - d. Monies paid for inspection reports \$478.13 USD
 - e. Cost for removal of waste \$3,861.95 USD

Monies paid to Louis Choc for the completion of a palapa - \$4,300.00 USD

- 47. The Claimants allege they were forced to pay for the completion of the palapa by Louis Choc as the Defendant failed and/or refused to pay his sub-contractor the sum of BZD \$8,000.00 for the construction of the palapa roof on the Project.
- 48. The receipt produced by the Claimants doesn't provide much detail that would allow me to grant this amount. The receipt says paid in full but a deposit of \$4,400.00. The receipt was dated in 30th July, 2018 and doesn't say who it was issued to and who paid it and paid the remainder. Further, the receipt does not say USD or BZD because the Statement of Case calculates it in USD but it seems from the evidence it is BZD. The letter from Mr Choc was hearsay and scandalous. The completion by Mr Choc would come under the incomplete portion of the project and there was money in the budget to complete the said payment. I would not allow it.

Monies paid for remedial works - \$ 8,229.00 USD

- 49. There was some conflicting evidence of the Claimants in relation to this. The 1st Claimant claimed sum of \$8,229.00 USD in remedial work and then also said in his witness statement monies paid to Alpha Belize to complete the project in the sum of \$36,284.32.
- 50. The 2nd Claimant's evidence is that the Claimants hired the services of Albert Rancharan of Alpha Belize Limited to perform remedial works on the Project and to also complete the un-finished aspects of the Project. Her evidence is that both the remedial works and completion costs \$36,284.32.
- 51. The Amended Statement of Case did not claim the amount to complete the project. Whether there was remedial work that needed to be done and works to complete it seems that that amount came in well less than the amount left for the completion of the project. The Claimants have mitigated their loss so this damage does not arise and is not proven.

<u>Costs of airfare and accommodation to ensure completion of construction - \$23,315.63</u>

52. The Claimants concede the full amount claimed in the sum of USD \$23,315.63 for cost of airfare and accommodation would not fall within the second limb of the *Hadley v Baxendale* principle. Claimants however submitted that the Defendant ought to contribute a reasonable sum of USD \$10,000.00 or BZD \$20,000.00 toward their loss. There is no law provided to justify this ex-gratia payment and so since it was not as a consequence of the breach and in some case even before the breach I would not allow any amount.

Monies paid for inspection reports - \$478.13

- 53. The Claimants argued that if the Defendant performed the Building Contract, there would not have been the need for an additional inspection report separate and apart from the ones previously required by their bank.
- 54. It would be reasonable for the Claimants to have gotten another report in order to complete the works after termination so I would award the sum for the inspection report of \$956.25 BZD.

Cost for removal of waste - \$3,861.95

- 55. The Claimants argue that Article 4.2 of the Building Contract provides a positive obligation on the contractor to keep the premises and surrounding areas free from accumulation of waste materials or rubbish caused by performance under the contract.
- 56. The Claimants accept that there has been no specific amount proved in evidence to substantiate the sum of USD \$3,861.95 claimed under this head. However, the Claimants say that a nominal sum of BZD \$3,500.00 would be reasonable in the circumstances.
- 57. This is special damages and the Claimant must plead and prove this damage as such without proof of this amount it is not allowed.

Damages for loss of rent occasioned by the Defendant's breach of the Building Contract.

- 58. The Claimants last head of damage claimed is that for the loss of rent occasioned by the Defendant's inability to complete the Building Contract within the ninemonth time period. The Claimants state that they lost approximately 35 weeks of rent due to the Defendant's inability to perform the Building Contract. This equates to the sum of \$117,104.40 BZD which the Claimants submit that they ought to be compensated for in the form of damages.
- 59. The evidence of the Claimants, as proffered by the 1st Claimant, is that during precontractual negotiations the Defendant was aware of what the Claimants' intention was. In an email from the 1st Claimant, he said to the Defendant, "... The objective for me is to build and rent, use and or sell each home. Every time we sell one we build another one. Sound like fun?"
- 60. Further, by email dated 7th March, 2018 the 2nd Claimant wrote to the Defendant saying "We now have a monthly payment to the bank of \$2,800.00 US Dollars so we are losing money by not being able to rent the house out." The Defendant never objected to this or contended that it was not in his contemplation at least for the extension.
- 61. I therefore agree that the Defendant knew the intention of the Claimants was to use the Project, after completion, as a rental home in which they would supplement their income and there was a high degree of probability that had the Defendant not completed the Project on time, they would not be able to rent the same.
- 62. This is where the evidence again was lacking. The Claimants submit that the sum of \$1,672.92 USD or \$3,345.84 BZD weekly represents the market value for the weekly rental of a property of similar size and in the Stann Creek District. The Claimants provided an Airbnb Travel receipt for 7 nights in Placencia, Belize in March 2018 to prove this sum. There was no evidence provided about the property that was rented by the Claimants to determine whether it would have been comparable to the one the Claimants were building. No information about

- location, size, amenities, guest services whether more than a certain amount of people would cost more as the receipt showed there were a number of visitors.
- 63. There was no evidence provided by the Claimants like a valuation or rental agreement for their property to show how much the property would have been rented for. No evidence whether it was going to be furnished or unfurnished whether short term or long-term rental. There is no evidence of comparable properties which shows the average rental for property close to the subject property nor what is the average occupancy rate for similar properties in the area. The Claimants have not provided any evidence of the rent of the property subsequent to the completion of the building of the property to evidence what rental income they would have received. They also have not presented what would have been the expenses that would have including taxes, management fees among others and so what would have been the profit.
- 64. The Claimants' evidence was that only in August 2019 Alpha Belize was engaged to complete the project and it was completed 17th September, 2019. This was a year after the Claimants terminated the contract with the Defendant on 30th August, 2018. There is no explanation as to why it took so long to retain someone to complete the project. Further the other strange aspect of the evidence was that the date of the draw and works done by Alpha Belize was dated December 2018. There also was no receipt produced by Alpha Belize to evidence what actually was paid by the Claimants.
- 65. The 15th August, 2018 progress report estimated that the remaining project could have been completed in 6-8 weeks of a disbursement and that was considered reasonable. This accords with the time it took for Alpha Belize to complete the project from August 2019 to 17th September, 2019 was 6 weeks.
- 66. Having regard to the fact I already found that there was an extension until May 9th 2018. The time that the Claimants would have been out of their premises for approximately 22 weeks or 5 months having regard to the 6 weeks for completion after the contract was terminated.

67. In relation to a rental amount since there is no proper evidence before the Court as to the rental income for this property or an occupancy rate or expenses, I would award a nominal sum. Having regard to the area and the scale of the property, the beachfront location, a reasonable occupancy rate. I would award a nominal sum of \$1,000.00 USD a month. I therefore assessed the Claimants' loss under this head in the sum of \$5,000.00 USD/\$10,000.00 BZD.

Order

- 68. I therefore hold the following:
 - a. Judgment for the Claimants against the Defendants;
 - b. The Defendant do pay the Claimants the sum of \$2,721.62 BZD in damages for breach of the Building Contract with interest at the rate of 6% from 30th August 2018;
 - c. The Defendant do pay the Claimants the sum of \$10,956.25 BZD in Special Damages with interest at the rate of 6% from date of filing of the Claim to date of Judgment; and
 - d. The Defendant do pay the Claimants Costs on the prescribed basis.

Westmin R.A. James
Justice of the Supreme Court (Ag)