

An update from within CoveKinloch and from our wider industry



New Approach to Temporary Site Enclosure

CoveKinloch has designed and is managing the weathertightness remediation of the 153 units at the Sacramento complex in Dannemora. The contract has been let to Canam Construction by the Body Corporate with work now well underway on-site. The main contractor has taken a new approach to the issue of temporary weatherproofing of existing buildings. Their solution, inspired by a similar approach seen in Europe has been to place a temporary spanned steel sheet roof over the building, using 6m structural steel modules with lifting eyes. These sections are formed on the ground and craned into place giving total cover to the 3 level blocks of 12 residential units. 600m² of temporary roof can be placed or relocated in one day providing significant cost saving to the contractor.

The system according to Canam is more cost effective than scaffolding with tarpaulins or the newer option of shrink wrapping. The materials can be reused on further projects.



Court of Appeal Rules in favour of Leaky Apartment Owners

A judgement summary from a significant court decision
By Danielle Brown of Grimshaw & Co

In the most significant Court decision on leaky homes to date, the Court of Appeal has upheld two judgments (*Sunset Terraces* and *Byron Avenue*) in favour of leaky apartment owners against the North Shore City Council.

The major issue at the hearings was the extent of the council's duty to residential home owners. The Council argued at the hearing that its duty should be narrowed to exclude:

- Owners who rented out properties rather than lived in them;
- Owners who own properties in large scale developments where professional architects and engineers might have been expected to have had a significant role in construction;
- Owners who purchased after the leaky building damage first became apparent, notwithstanding that the purchaser was not aware of this damage.

But the court said the council could still be liable in all these circumstances.

The Court of Appeal upheld High Court awards to the body corporate and owners of the units and increased the awards for distress and anxiety to \$25,000 in the case of resident owners and \$15,000 for investor owners.

It is anticipated that the Council will appeal the decisions to the Supreme Court.

Matt Josephson is a partner at the law firm Grimshaw & Co and represented the owners in the appeals.

NEWS RELEASE

AON ACQUIRES FIRE SPRINKLER INSPECTION BUSINESS

Aon New Zealand has announced the acquisition of the business of Central Inspection Services Ltd (CIS).

CIS is a long-established, respected and independent provider of fire sprinkler inspection services to many of New Zealand's largest businesses. The regular inspection of installed fire sprinkler systems by qualified technicians is not only a requirement under New Zealand legislation but is also the means by which business management can ensure that the maintenance of installed fire protection system is completed as specified.

CIS Managing Director, Bill Harper, said "I am excited about the opportunity to expand the fire sprinkler inspection business with Aon's clients. With over 60 branches Aon was a natural partner for us to extend our services throughout New Zealand."

Aon's Chief Executive Officer, Geoff Blampied, said "CIS complements Aon's existing business services including insurance broking, risk management and certification of new sprinkler installations. As New Zealand's largest insurance broker, we are always looking for ways to expand our business and offer the best service to our clients. With correctly installed and maintained fire sprinkler systems, companies can ensure that their premises and staff are properly protected, and this can also assist with achieving competitive insurance cover."

For more information, please contact:

Andrew Bergman, General Manager, Aon New Zealand
andrew.bergman@aon.co.nz or 09 362 9044

"This acquisition by Aon will be a positive one for owners of buildings with sprinkler systems installed, in that it will create a more competitive" Peter Bamford of CoveKinloch

As-Built Plans Why Bother?

How many times in the lead up to a project have we asked clients for as-built drawings or just 'any plans' only to find there are none available.

This is a common occurrence particularly with buildings older than a decade or so. Files get lost, people move on and the information is regrettably misplaced. Having up to date, as-built drawings has proven to be a time saver, a cost saver and remove the inefficiency of not having them.

Good quality digital as-built records are an advantage to any organisation and can be used to assist in the following situations:

- Planning for alteration work that will require documentation and consent.
- Dealing with tenants and prospective tenants.
- Managing maintenance work.
- Sub-dividing of premises.

<p>AUCKLAND Level 3, 25 Broadway Newmarket</p> <p>Ted Armitage: 09 522 4416</p>	<p>HAMILTON Level 3, 169 London St Hamilton City</p> <p>Keith Small: 07 839 6127</p>	<p>WELLINGTON Level 3, Harbour City Centre 29 Brandon St</p> <p>Barry McDermott: 04 473 3001</p>
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Electric Cars effect on Future Building Codes



The following is an abridged article entitled:

'Flower power city switches on' taken from the NZ Herald.

If electric cars have any future in the United States, San Francisco may be the city where they arrive first.

The San Francisco Building Code will soon be revised to require new structures be wired for car chargers. Opposite City Hall, some drivers are already plugging converted hybrids into a row of charging stations.

In nearby Silicon Valley, companies are ordering workplace charging stations in the belief their employees will be first in line when electric cars begin arriving in showrooms.

Utilities are gearing up to co-operate with carmakers, a first for the two industries and local electrical grids may need reinforcement.

The electric car is poised to become a mainstream option. In Berkeley, a town known for its environmental sensibility, one out of five cars sold today is a hybrid Prius.

To avoid problems in areas with high car concentrations, utility executives said they would encourage people to charge their vehicles at night.

"Observing developments on this topic will be interesting over the next few years!"

Common Reasons for Delays in granting Building Consents

Hamish Aitken, CEO of Manukau Building Consultants underlines below some of the most common items identified that cause delay in granting of Building Consents:

1. Poor documentation such as alternative solutions not supported with documentation showing compliance with NZ Building Code.
2. Product literature for specified products not included in the consent documentation.
3. Access and Facilities for people with disability not addressed in the design when required by Section 118 and Schedule 2 of the Building Act 2004.
4. Architectural drawings not coinciding with the fire report, in particular where the fire report has been amended / revised.
5. Designer not addressing all relevant clauses of the NZ Building Code.

Manukau Building Consultants is a Council Controlled Trading Organisation set up by Manukau City Council to provide building consent processing and compliance inspections for the Manukau region.

Stigma and its Effect on Property Valuation

A comment from Stephen MacKisack, Registered Valuer, Seagar & Partners

A recent NZ Herald article summarised the claim from the Blake Central apartment complex that included a claim for 'stigma'. This portion of the overall claim amounted to some 13% of the total \$11.7 million claimed. The following is a valuation perspective of the arguments arising in assessing ongoing stigma.

It has long been held in the market place and in the courtroom that there is a stigma attached to leaky homes or building complexes that have had repairs carried out. This stigma is loosely defined as a residual effect on values after remedial repairs have been carried out. An example of this is a reluctance of a prospective purchaser due to the fear that further repairs may be required and those repairs and maintenance may be greater than would usually be expected. How this stigma is quantified and whether or not it is justified at all depends on the merits of each individual case.

The flip side of the stigma argument is that there are many occasions where it is argued that significant betterment has occurred.

This is not the case in all remedial repairs and there are examples of remedial repairs carried out since the early 2000's where the repairs are already showing signs of failure.

From a valuation viewpoint, we continue to grapple with how the remediation alters the market perception of the value following the completion of the repairs. Key factors to be ascertained include:

- The extent of the repairs carried out.
- The types of building systems used before and after repairs are carried out.
- The appearance of the property after repairs.
- What design features, if any, still exist that may cause problems in the future.
- What segment of the market is the property in.
- The time since the remedial works were successfully carried out.

To conclude, stigma may be a contributing factor to the value of a property. The extent to which this may affect value will be dependent on many factors, the significance of which is likely to recede in the minds of a purchaser over time.



RICS Building Surveyor to our Wellington Office

Barry McDermott has recently moved from our Hamilton office to Wellington. Barry is a Royal Institute of Chartered Surveyors Building Surveyor and is experienced in building condition surveys, schedules of dilapidation, planned maintenance programmes, insurance assessments, residential reporting, weathertightness and project management roles.

Barry can be contacted on 04 473 3001.

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