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FROM THE EDITOR

The spotlight is focused on the country's overheated housing market in this issue, with RMBA chief executive David Kelly noting that various commentators claim that if we just did this "one thing" all would be put to rights.

He says there's obviously a number of factors to consider, and that the RMBA's primary focus for 2021 will be to work with the Government and others to "try to think differently" in addressing the issues. Not an easy task.

Meanwhile, columnist Ross Middleton wonders how the Government, whose empathetic leader he says has a good line in kindness, will figure out how to make good on its plan to build 8000 units of "public and transitional housing", especially with skilled labour in rather short supply.

Read his Roof Irony thoughts on pages 34 and 35.

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The great housing debate

Chief's Chat

By CEO David Kelly

It's fair to say many of us were glad to see the back of 2020. But as we look to the year ahead, our sector is still dominating news headlines.

Housing, and in particular housing prices and supply, is one of the most significant issues facing New Zealanders in 2021.

Right now the demand for housing is driving residential construction to record levels, and the outlook for 2021 looks very positive for builders.

However, it is not a rosy picture for people trying to get on the property ladder but, equally, it is not an easy issue to solve.

Every week I read yet another article from a commentator claiming if we just did this "one thing".

But it is not just about finance, or land supply or access to skilled labour — these are all important parts of the puzzle — but addressing these individually will not make the difference we need. Unfortunately, there is no easy answer.

Registered Master Builders sits at the coalface of our housing issue. Our primary focus for 2021 is working with Government and others in the sector to try to think differently, to ensure a greater focus on planning and a significant system change to address these issues.

Continuity of supply at the heart of the issue

Continuity of supply is a key focus. Our sector's boom and bust cycle is well known, but the impact is often downplayed.

The fallout of this cycle means a lack of innovation and skilled talent when we need it.

During the GFC, the residential construction sector lost 25% of its workforce. It took seven years for sector employee levels to recover to pre-GFC levels. As a result, we haven't got the capacity and skills we need today.

The new apprenticeship boost is a good initiative and is helping to bring talent on board today. But if we don't ensure the pipeline of work continues, we will still be in the same place following the next bust.

When there is no work, employers simply cannot take on apprentices.



The impact is also on what we build, and has directly led to the lack of affordable housing we are seeing right now.

The Government has recognised the problem. Housing Minister Megan Woods stated last year that she is looking for ways to avoid a repeat of the GFC, "where the development sector retreated to some of the safest bits of the market, large single-storey homes on single sections, and affordable housing wasn't really a part of it."

Last year the Minister announced a \$350 million Residential Development Response Fund to underwrite stalled or at-risk developments.

We agree this may be needed when the predicted bust cycle begins to appear, and are pleased to see this fund is still in the wings to be called on if it is required.

We are already seeing a major decline in bank lending for property development. The value of loans to the sector fell by 22% in the year from November 2019 to November 2020.

Private funding is now responsible for much of the current development. With interest rates so low, investors are looking for opportunities for stronger returns. Finance continues to be a risk we will monitor on behalf of our members.

Another key casualty in the boom and bust cycle is innovation.

A great example is prefabrication. We constantly hear that this is the answer to building at scale. But this requires large-scale investment.

With the threat of a bust cycle ever present, we will struggle to get the level of investment required to really make a difference. Until we address the continuity issue, innovation and investment in technology across the sector will suffer.

A steady and consistent pipeline of work

Working to ensure a steady and consistent pipeline of work across all regions of New Zealand is a fundamental focus for the sector.

While large scale developments show progress and create great media headlines, they can often contribute to the problem.

They demand an immediate influx of capability for a short time. This is always more difficult to resource. Many of our regions would be better off with a steady pipeline, ensuring local people have ongoing work.

This requires a different approach to what we have done before. It is not about a single solution delivered everywhere, but more about understanding the needs of a region and ensuring we develop a long-term solution to address that need.

We are very supportive of work being done on "place-based building" within the Ministry of Housing and Urban Development.

RMA reform a good opportunity

The Resource Management Act (RMA) review is another area of focus for the year ahead, with the availability and affordability of zoned residential land continuing to be a key issue for members.

Details on the RMA reform process are only now starting to emerge, and the first exposure draft is due to be released by officials for public consultation in May.

Already we are seeing the opposition calling for emergency legislation to rezone land.

Our focus is on ensuring we use the opportunity of the RMA reform to address these underlying issues, rather than short-term fixes that fail to address the ongoing issues.

There are plenty of challenges and opportunities for all of us in the year ahead.

Registered Master Builders is focused on ensuring we do not lose sight of these bigger, thornier issues, while we also tackle the short-term challenges we face.

A COOL AND CALM CHAMPION



MATTHEW VAN BOHEMEN

**BAY OF PLENTY/CENTRAL REGIONAL WINNER
2ND PLACE NATIONAL
REGISTERED MASTER BUILDERS
CARTERS 2020 APPRENTICE OF THE YEAR**

Matthew is employed by Beck Building, and was trained through the Building and Construction Industry Training Organisation (BCITO).



SUCCESSSES

The national competition was the highlight of Matthew's apprenticeship.

"Starting as a new apprentice with no real building experience, to being able to compete on a national level against my peers was an awesome experience.

"Representing my company and region was a great opportunity. Being able to show off the skills you have learnt and the apprentice you have become gives yourself confidence, but also lets the team who have helped you get there know they have done an awesome job as well.

"The most enjoyable part of the national competition was just being involved."



CHALLENGES

The biggest challenge Matthew faced during the competition was his mindset and not becoming overwhelmed with the tasks ahead.

"The practical challenge was intense. With a high number of points awarded to this task, I made sure I followed the plan while not taking too long on individual tasks to make sure I had sufficient time to finish and do any touch-ups. The practical challenge is an awesome experience, you just knuckle down, focus on what you are doing and block out everything that is going on around you."



EMPLOYER COMMENTS

Employer Brent Knight of Beck Building says Matt was dedicated to his apprenticeship right from the beginning.

"Matt wanted to achieve his qualification knowing that he had done it to the absolute best of his abilities. Given he was nearing the end of his apprenticeship, we felt he was ready to take on the challenge of the competition and we were certain he would do well — and he did!

"Winning the Bay of Plenty/Central region competition was an outstanding achievement and then going on to take second place at the national event was massive. We are extremely proud of Matt and how he performed — his cool and calm character was well reflected during the competition."

JUDGES' COMMENTS

Matthew is an extremely efficient worker with a great level of accuracy. He has a positive attitude and truly understands the benefits of teamwork. Mathew has taken on a large renovation project, which has had its challenges. It is fantastic to see him rise to the challenge — this is a testament to his attitude and work ethic.

"Matthew demonstrated dedication, maturity and ambition that is commendable and highly valued in our industry."

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Luxe lake living comes out on top

Triple Star Management

Registered Master Builders
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Successes

The team at Triple Star Management were extremely proud of their win.

Owner Peter Campbell said, "The win solidifies our goal to build the best buildings we can with the main focus always on quality and workmanship and exceeding our clients' expectations. Hero features of the build include the combination of the traditional stone cottages and modern steel links. The glazed 365° view butterfly room creates a clever twist between traditional and modern, and maximises the amazing views of the lake and mountains."

Challenges

The build required complex detailing that the project managers needed to work through onsite during the build.

"It wasn't just one building but a series of buildings all interconnected. This required a huge amount of elevated surface area to be developed. Another challenge for the team was the steel cladding."

Judges' comments

This stunning holiday home, designed to take advantage of the breathtaking views over Lake Wakatipu, is simply amazing.

Arriving at the entrance, the traditional forms reminiscent of Central Otago architecture are very obvious, and these are beautifully complemented by more contemporary sweeping rooflines and large glazing that take advantage of the beautiful vista.

Designed as a series of pavilions, the layout caters to providing numerous spaces for the family to enjoy.

The attention to detail in the way the home has been meticulously crafted is a credit to the builder and his wider team of subcontractors.

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Renovation, a recipe for success

Haimes Building

Registered Master Builders
Supreme Renovation of the Year



Successes

Mark Haimes of Haimes Building and the team felt a fantastic sense of pride to win the award. The clients and design team were all present at the national awards held virtually, and it was great to share the excitement.

"Receiving this award all adds to our company profile within our community and cements the quality brand that we have spent many years creating," Mark says.

"We were thrilled to maintain as much of the original home character as possible. The cohesion with the old and the new came together nicely, along with being able to maximise the existing features such as the sarked ceilings."

Challenges

As with most high end renovations there were many challenges to overcome during the build.

"The site had a difficult access which was down a long narrow driveway with a minimal turnaround area. This presented a few challenges along with trying to protect the existing landscaping throughout the entire build process.

"Excavation for the large pool, which was between two wings of the house, needed a fair bit of planning. Also managing old existing concrete floor levels that were different required many hours of work, along with straightening and levelling the existing structure."

Judges' comments

A home with much history and great bones, this successful renovation is a result of a wonderful collaboration between the owners, designer and builder.

The designer has cleverly put together a layout that provides easy living for the owners day-to-day, while creating private spaces for guests and family members to enjoy when they come over.

The addition of stunning outdoor living spaces complements the expansive open plan living.

This team of craftsmen have created something truly exceptional, and definitely have the skill set essential to coordinate a project where the retention of character was so important to the owners.

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Performance applauded for St Bede's build

St Bede's College Chapel and Performing Arts Centre

CATEGORY

Supreme Award

ENTRANT

Naylor Love Canterbury

PROJECT PARTNERS

Lewis Bradford Consulting Engineers (Engineer),
Powell Fenwick Consultants (Engineer),
Rawlinsons (Cost Consultant), The Building Intelligence
Group (Project Manager), Tonkin+Taylor (Engineer),
Wilkie + Bruce Architects (Architect/Designer)

OWNED BY

St Bede's College



Successes

Naylor Love commercial manager Justin Tait was absolutely delighted with the win that was made particularly special with some of the team being Old Boys of St Bede's.

"The chapel is in the centre of the grounds and is the spirit and culture of the college.

"It is great that we can celebrate with our peers and those stakeholders who have contributed towards the project's success.

The collaboration of all the stakeholders coming together to work on the project was what made this project's success."



Challenges

The existing ground conditions, including significant contamination and water, were key challenges of the project.

"Our team also had to preserve the existing Performing Arts Centre while undertaking significant excavation, foundations and underpinning under the existing structure to return the building to what it was before the 2011 earthquake."



Judges' comments

This is two distinctly interlocking building projects — burying underground to strengthen the foundations of the Performing Arts building, and a new Chapel for the school. The works were challenged by the hand digging, low height excavation and the need to safely work around the school programme. The octagonal chapel successfully completes a line of existing brick buildings of the school that face the street. Salvaged materials including stain glass, pews, and an organ from other churches which were destroyed following the earthquake were refurbished and installed. This is an excellent design solution, complemented by a superb construction finish which makes this a worthy award recipient.

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A new plan for housing

The Government has released a “Public Housing Plan 2021-2024” outlining where it intends to construct 8000 additional public and transitional housing places, as it announced in its Budget 2020 last year.

“The Government is committed to continuing its public house build programme at pace and scale,” Prime Minister Jacinda Ardern says.

“The extra 8000 homes, 6000 public housing places and 2000 transitional housing places reinforces the Government’s investment in public housing.

“The plan confirms we are on track to deliver over 18,000 extra places by 2024.

Fixing the housing crisis

“This is not only delivering more warm, dry public housing for those most vulnerable to housing shortages, but also boosts economic activity, jobs in the building sector, employment and apprenticeship opportunities for young people.

“Fixing the housing crisis is a key focus of this Government, and our public housing programme plays a key part in enabling more housing to be built through infrastructure investment and support for the construction sector.

“Since November 2017 we have added 4579 newly-built state homes across New Zealand — we are building more new public housing than any government has done in two decades,” Ardern says.

Housing Minister Megan Woods says the need for public housing for the most vulnerable members of our communities continues to grow.

“This follows decades of insufficient new housing stock being built, and the selling off of thousands of state homes by the previous National Government,” Woods says.

“As this plan outlines, we will focus on building more public and



Prime Minister Jacinda Ardern

transitional housing in New Zealand’s regions where population growth has significantly exceeded housing, leading to rent rises, housing shortages and deprivation.

“Te Tuapapa Kura Kainga, Ministry of Housing and Urban Development, will concentrate on locations with high need and where demand for public housing is the greatest.

“While public housing will continue to be delivered across the country, there is a particular focus on Northland, Hamilton, Bay of Plenty, Gisborne, Napier, Hastings, Palmerston North and Whanganui.

“The Public Housing Plan is one part of a range of housing initiatives to address the housing crisis.

“The Government is also reviewing market settings to provide more help to first home buyers, and innovative ideas to increase the supply of affordable homes,” Woods says.

NZIER survey shows strong demand boosts sentiment in building sector

The January edition of the NZIER’s quarterly survey of business opinion shows a further improvement in business confidence in the final quarter of 2020, as businesses held on to the recovery in sales seen in September.

A net 16% of businesses expect a deterioration in general economic conditions over the coming months, on a seasonally-adjusted basis — lower than the 38% in the previous quarter, and well below the 68% of businesses feeling pessimistic in March 2020.

When it comes to firms’ own trading activity, a net 1% reported reduced demand on a seasonally-adjusted basis.

This measure suggests a rebound in annual

GDP growth to around 2% at the end of 2020 from the lockdown lows in the middle of last year.

The construction sector remains the most optimistic of the sectors in the survey, as strong demand supports a lift in confidence.

With the pipeline of residential, non-residential and Government construction work increasing, building sector firms are hiring to keep up with demand.

The rebound in construction activity is driving capacity utilisation in the sector to record highs.

Although sentiment in the other sectors has

improved, businesses are generally still cautious about general economic conditions ahead.

Demand has improved in most of the other sectors, but firms are still finding it difficult to pass on rising costs by raising prices.

This is weighing on firm profitability.

The strong rebound in construction demand has underpinned a surge in capacity pressures in the building sector, with capacity utilisation rising to record highs.

This increase in capacity pressures should support a lift in wider inflation pressures later in 2021.



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Low-carbon solutions for NZ buildings



An ongoing BRANZ research programme is leading the drive for a successful transition to a zero-carbon built environment.

Low-carbon water heating systems and energy performance certificates for homes are two of the solutions BRANZ researchers are investigating to help reduce New Zealand's greenhouse gas emissions.

They are part of an ongoing BRANZ research programme which is leading the drive for a successful transition to a zero-carbon built environment.

New heating technologies

Programme leader Dr Casimir MacGregor says water heating contributes about 30% of a typical household's energy output.

"We're looking at some promising new residential water heating technologies with potentially much lower carbon and energy costs than traditional systems," MacGregor says.

"The results of our work will help home owners, suppliers, specifiers and developers wanting to reduce their energy and carbon footprint.

"Our study on energy performance certificates (EPCs) is looking at overseas schemes to

provide the groundwork for the introduction of EPCs to New Zealand."

EPCs rate the energy efficiency of buildings by measuring their heating and cooling requirements and (depending on the scheme), water heating and lighting needs.

They allow people to make informed decisions about the properties they buy or rent, and they provide building owners with information to improve their properties.

They also provide data on the country's building stock, which can be used to guide government policy.

Other BRANZ zero-carbon research includes a recently-completed carbon budget for New Zealand buildings.

A carbon budget is the maximum total quantity of greenhouse gas emissions allowable to meet climate change targets over a specified time frame.

The results will help guide the industry, and provide a baseline for measuring the carbon emissions from buildings.

Minimum wage to hit \$20

Government taking a balanced approach and supporting employees and employers through the pandemic.

The Government is confirming it will deliver on its commitment to raise the minimum wage to \$20 per hour from April 1, 2021.

Workplace Relations and Safety Minister Michael Wood made the announcement recently.

He says as we recover and rebuild from Covid-19, the Government is committed to supporting New Zealanders by raising wages.

"This minimum wage increase will lift the incomes of around 175,500 New Zealanders — which means \$44 more each week before tax for people who are working 40 hours a week on the minimum wage.

"The rise in the minimum wage is estimated to boost wages across the economy by \$216 million, giving New Zealanders more money to spend at local businesses," Wood says.

"We're taking a balanced approach and supporting employees and employers through the pandemic.

"We'll be providing access to a Short-Term Absence Payment to support employers to ensure their employees are able to follow public health guidance while waiting for a Covid-19 test.

"In the event of a Covid-19 resurgence, we have put in place a new Resurgence Support Payment to help firms cover their fixed costs, and have committed to the Wage Subsidy Scheme for Alert Level 3 and above."

The starting-out and training minimum wages will also rise to \$16 per hour, to remain at 80% of the adult minimum wage.

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Scaffold erection needs competent operators

Scaffolds will only keep workers safe if they are erected by someone with competence experience, WorkSafe says.

If not constructed correctly, they can put workers at risk.

W Gartshore Ltd is an Auckland construction company which specialises in shop fit-outs and retail joinery.

In September 2018, the company was involved in a shop fit-out at Westfield Manukau Shopping Centre when a worker fell from a mobile scaffold and sustained serious injuries, including a broken back, fractured skull and a traumatic brain injury.

WorkSafe's subsequent investigation found that the mobile scaffold had been disassembled to allow tiles to be laid, and the victim, whose experience erecting mobile scaffolds had not been established by the company, was then asked to erect it once again.

The investigation found several issues with the structure at the time of the incident.

Installed above maximum height

The platform had been installed above the maximum height and there was no room for a top handrail, making it dangerous to be used.

"The scaffold, when not correctly erected, was unsafe, did not meet standards, and should not have been in use," WorkSafe area manager Danielle Henry says.

"Where scaffolds are needed, businesses must adhere to standards and guidance to ensure they are fit for purpose and will keep workers safe.

"This means they must be constructed and checked by a competent person before and during use."

The company was fined \$200,000. The Act carries a maximum penalty of \$1,500,000.

WorkSafe has scaffold guidance available on its web site.

Planning for a post-Covid construction sector

The recently-released National Construction Pipeline Report shows that the Construction Sector Accord will need to play a vital role in supporting the industry's Covid-19 recovery.

"The Construction Sector Accord principles are now more important than ever," Construction Sector Accord transformation director Dean Kimpton says.

"We need to build trusting relationships, be bold, value our people and act with collective responsibility."

Kimpton says the report is based on the sector's own forecasts, and indicates national construction value could take a 31% hit by 2023.

"However, the forecasts in the report are surrounded by significant uncertainty as the full impact of Covid-19 remains unknown. It's important to acknowledge that the report also shows promising signs for the future, and that is where the industry should be focused.

"Covid-19 is unlike anything we have ever experienced, and we need to continue to adapt to these changing times to the best of our ability. We have done this superbly so far by proving our resilience during the Covid-19 lockdowns.

"Residential building makes up the bulk of construction activity and is, typically, the hardest hit by changing economic conditions. The report estimates residential activity could drop 43% over the next three years — although recent data from Stats NZ indicates a 46-year high for new home consents," Kimpton says.

"The sector has come out of Covid-19 in a better position than expected, but this report serves as a reminder that we need to continue to plan and prepare for whatever comes our way.

"Last year, 10% of Kiwis were employed by the construction industry, and we contributed to a fifth of GDP. Covid-19 has been a game changer, and a lot remains uncertain. But we know construction is expected to help lift New Zealand out of our economic situation and be at the forefront of recovery.

"There are steps we should be taking now to accelerate our recovery and help ourselves prepare for the future. Embracing the principles of the Construction Sector Accord is



Construction Sector Accord transformation director Dean Kimpton.

one of those steps, and will help our sector perform in this post-Covid environment."

Accord Steering Group member and People Development Workstream co-lead Bill Newson says there is an opportunity to reset and make a difference.

"Now is the time to be investing in apprenticeships, in training, and upskilling our people so that we grow great people and protect what expertise we have," Newson says.

"We have a targeted People Development Workstream which aims to build a

sustainable workforce through growing people and supporting those in it.

"Work is underway to develop skills across the sector, including informing progress on the Reform of Vocational Education (RoVE) and joining a consortium to lead the Construction Centre of Vocational Excellence (ConCOVE)."

Accord Steering Group member and People Development Workstream co-lead Graham Burke says irrespective of what the future pipeline looks like, we need to improve the way we work together and continue to invest in our people.

"Businesses that support and invest in their people are more resilient in slowdowns and are in the best position when the economy improves. We need to prioritise each other's health, safety and well-being, and work in a collaborative and inclusive way. Valuing our people is the key to success," Burke says.

Kimpton says great people innovate, create, deliver excellent services, and help drive businesses forward.

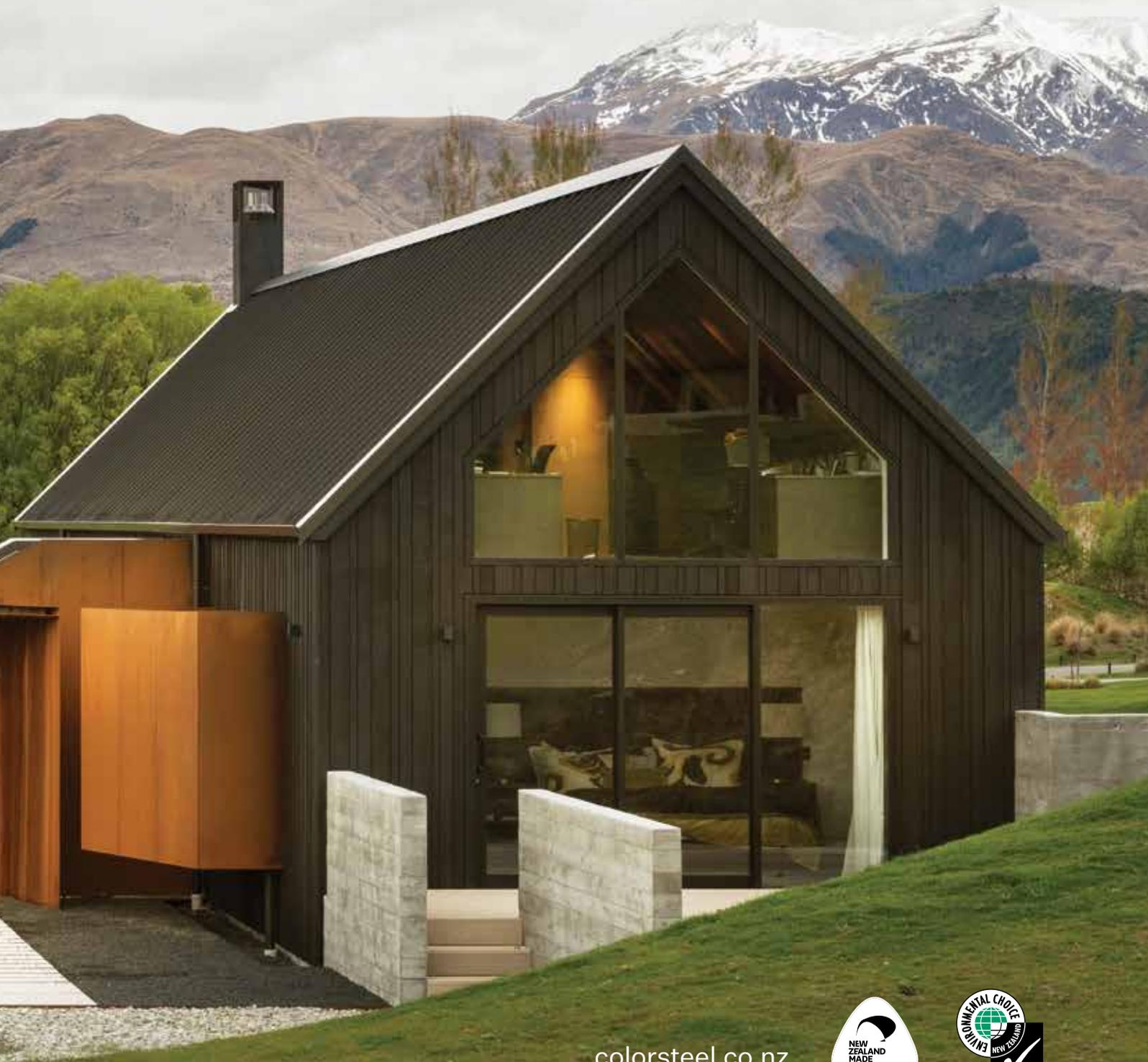
"Companies that take the time now to grow their people will be the ones that thrive in this new environment," he says.

"Before the Accord, we didn't have a united vision for the future of the sector. The Accord has brought construction leaders and government together so that throughout this pandemic we could protect and support our sector and our workers.

"We are now focused on enabling a united and resilient sector to support all New Zealanders in our recovery."



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Lifting productivity in construction

New Zealand's construction industry can lift its productivity by establishing a digital database on building products, a BRANZ-funded report from GS1 New Zealand finds.

This opportunity is explored in *Digital Product Data for Lifting Productivity* which investigates how such a digital database, or repository, would support the construction industry, and feasible steps for its establishment.

The report, funded by BRANZ from the Building Research Levy, draws on analysis commissioned from the New Zealand Institute of Economic Research (NZIER) on international examples of productivity gain from using digital data systems, and GS1 expertise in data standards and related technologies.

The report states improved accuracy of information, once standardised and digitalised, is a key source of productivity gain.

This is because of reduced paperwork, information search time and costs. Furthermore, online availability of information — especially authoritative product assurance information for determining whether products are fit for purpose — can enable much greater certainty and confidence in product selection, and in building consent processes.

The latest statistics put the industry's annual output at \$64 billion, or 11.5% of New Zealand's total economic output.

The report notes that its record of low productivity growth needs to be addressed (annual 0.9% per annum for the past 25 years; less than 30% of that seen in the ICT sector, and less than half of that in agriculture).

"Digital infostructure", including a product information database with information used in numerous business decisions, is one means of starting to tackle the problem.

Standardised data essential

The report says such infostructure, enabling rapid exchange of product information across the industry, cannot succeed without the use of standardised data, and it recommends the use of global standards.

The repository would use "cloud" computing with multiple channels for "anytime, anywhere" access, and it would enable much more inter-operability between industry players.

The digital repository would enable suppliers to load product data once, making the data available to hundreds of users, saving suppliers paperwork, time and money.

The NZIER has estimated that information barriers to efficient consenting on residential building projects could be costing more than \$30 million annually. Having digital product data available across the industry would help reduce those costs.

The NZIER analysis indicates the appropriate infostructure could lead to productivity gains which benefit New Zealand's Gross Domestic Product by as much as \$220 million.

Report shows virus impact likely to be felt for the next few years

The recently released National Construction Pipeline Report 2020 forecasts a short-term decline in construction activity as a result of the Covid-19 pandemic.

The report, commissioned by the Ministry of Business Innovation and Employment (MBIE), provides a projection of national building and construction activity for the next five years, through to December 31, 2025, based on current settings.

It includes national and regional breakdowns of actual and forecast residential building, non-residential building and infrastructure activity.

"While there is a lot of uncertainty as a result of the pandemic, the report expects a decline in the total value of construction through to 2023, before it starts to recover," MBIE general manager building system performance John Sneyd says.

Residential construction activity is the largest contributor of national construction, making up 55% in terms of value last year. Historically, residential activity is the most volatile to changing economic conditions, and it is predicted this will be hardest hit by Covid-19.

The report forecasts the value of residential construction will fall 43% from \$23.7 billion in 2019 to \$13.4 billion in 2023 as a result of an anticipated decrease in new dwelling consents — from the high of more than 37,000 in 2019, to an average of 26,800 per year for the next five years.

"Despite the forecast, demand for residential housing remains strong at the moment. There is steady pipeline of demand, and latest data shows

new home consents are currently at a 46-year high," Sneyd says.

"Infrastructure construction is expected to increase, particularly in Auckland and Waikato/Bay of Plenty.

"Infrastructure is the only construction area forecast to see sustained growth, reaching \$10.1 billion in 2025 — up 6.3% on 2019."

Other forecasts from the report include:

- Compared to 2019, Auckland is expected to see a reduction in total construction activity of 16% to \$14.3 billion by the end of 2025. Waikato/Bay of Plenty is forecast to decrease by 18% to \$5.5 billion, Wellington by 35% to \$2 billion, Canterbury by 57% to \$3 billion, Otago by 33% to \$1.8 billion, and the rest of New Zealand by 29% to \$4.7 billion.

- Non-residential construction activity (including hotels, offices, retail outlets and industrial buildings) is forecast to drop 42% nationally from \$10 billion in 2019 to \$5.8 billion in 2022, before recovering to \$7.4 billion in 2025.

- Multi-unit dwellings accounted for 41% of all dwellings consented in 2019. Multi-unit dwellings are anticipated to be hardest hit by the Covid-19 pandemic, particularly apartments, and these are forecast to account for 32% of all dwellings consented in 2022.

The report is based on construction forecasting by the Building Research Association of New Zealand (BRANZ), and Pacifecon NZ Ltd data on researched non-residential building and infrastructure intentions.

Building activity bounces back

The volume of building activity in New Zealand bounced back to normal levels in the September 2020 quarter, following the significant drop in the Covid-hit June 2020 quarter, Stats NZ reports.

Volume measures of building work put in place exclude the effects of increasing construction costs to show underlying changes in the volume of work.

Overall building activity was at pre-Covid levels in the September 2020 quarter, with residential work up 4.2% on the same period in 2019.

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OSM partnership delivers new family home in 10 weeks

Concision off-site manufacturing (OSM), in partnership with Versatile Pukekohe, has completed a brand new four-bedroom, two-bathroom family home in just 10 weeks.

The home's 43 panels were manufactured in Concision's Rolleston factory in just two days. They were then delivered to site and installed in a single day.

Concision chief executive Kerry Edwards says the build is a great example of the speed and affordability Concision off-site manufacturing can bring to New Zealand's home building sector.

"We can deliver high quality yet affordable homes in extremely short time frames," Edwards says.

"In general, we can turn around the panels for a standard 150sq m home in about four hours, and have capacity to build 1000 homes a year.

"Through this sort of innovative collaboration we can really help to increase New Zealand's housing supply."

Versatile Pukekohe owner-operator Wenny Lubbers says the build is the first of its kind in the Franklin area, and the start of an exciting way to get more Kiwis into their own homes.

"With current capacity, and using OSM technology, Versatile Pukekohe can build up to four homes a month," Lubbers says.

He says the project has also proven that modern pre-fabrication and speed do equal quality.

"Any perception that this type of build does not equate to good quality couldn't be further from the truth.

"This home has lots of extra features, including a ventilation system, a sound system, a Louvretech verandah, and extra insulation. The owners are over the moon.

"We handed over the keys in mid-December 2020 — it was an awesome feeling to give this family their dream home in time for Christmas."

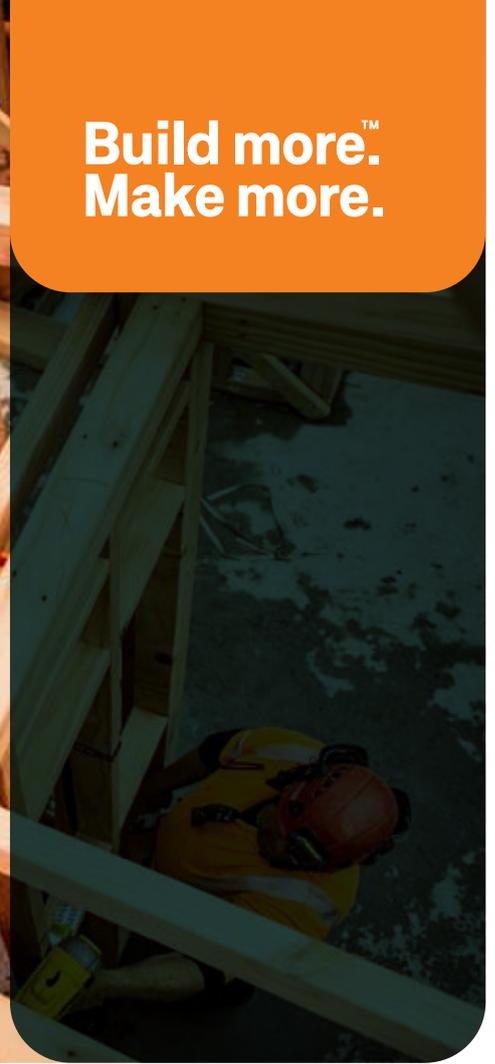
Concision and Versatile are part of the Spanbild Group, which also includes Portabuild, TotalSpan and Ideal.

Concision also manufactures components for schools, classrooms, social housing and bathroom pods at its factories in Rolleston and Matamata, delivering them all around New Zealand.

More information is available at concision.co.nz.



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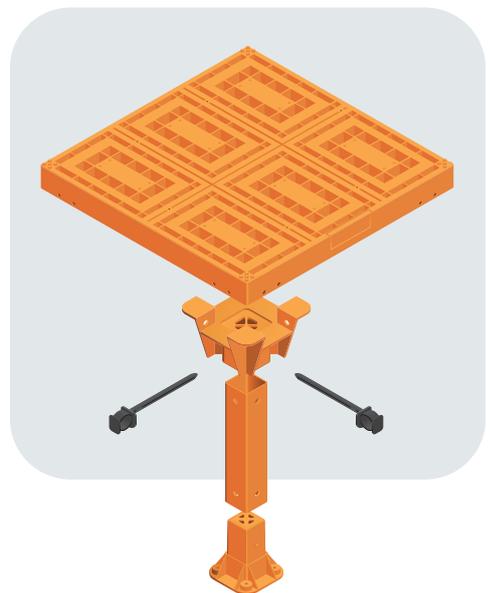
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Safety technology highlighted at forklift roadshow

A roadshow, hosted by WorkSafe New Zealand, will tour the country from February to April 2021, and aims to reduce the amount of harm being caused by forklifts nationwide.

Between 2013 and 2020, WorkSafe recorded 11 fatalities involving a forklift. Alongside these fatalities sits an average of 127 injuries, resulting in more than a week away from work each year.

The roadshow, which will feature a presentation from John Harrison (Forklift Training and Support), will present drone, video and CCTV footage from live operating environments to demonstrate the everyday risks forklift operators encounter.

Ruth Cook and Julie-Ann Mail will discuss WorkSafe's programme of work designed to support safer use of vehicles. It will also see demonstrations from companies who have developed proximity warning devices.

The devices are designed to alert the forklift operator when they come into the proximity of people on the ground.

The technology is still relatively new for industries using forklifts, and WorkSafe says it is great to see companies thinking smart about health and safety solutions.

WorkSafe's Angela Mansell says the devices would no doubt be a highlight of the roadshows.

"The objective of these roadshows is to increase levels of knowledge and understanding of risks and risk management for operators, site workers and businesses working with forklifts."

WorkSafe says other forklift safety points of discussion within the roadshow would include controls such as exclusion zones, operator training and maintenance of forklifts.

Auckland home projects compacted more by Covid

Builders, developers and owners of home building projects in Auckland said they felt more affected by Covid-19 than those working on non-residential projects and projects outside Auckland, Stats NZ says.

Just over 3500 respondents recently answered a series of questions in the quarterly building activity survey.

Based on analysis of respondents' opinions about the effect of Covid-19 on building projects (which may not be representative of all building projects), around 6 out of 10 respondents from residential projects in Auckland reported a moderate to severe Covid impact in the September 2020 quarter.

This compared with fewer than 5 out of 10 respondents from residential building projects outside Auckland reporting a moderate to severe impact.

Nationally, relatively few projects of any kind (fewer than 1 in 20) reported severe impacts in the September 2020 quarter.



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Successful transition from industry boss to franchise CEO recognised

Moving from a centralised office with 1000 employees doing what they were told to franchise leadership where he needed to sell his ideas and initiatives to franchisees was a big challenge for Signature Homes chief executive Paul Bull.

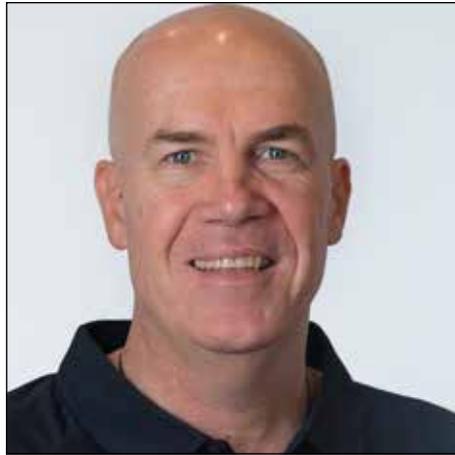
The success he has had with the move is why he joins the top franchise leaders from 11 other niches to share their stories and offer their valuable advice in the best-selling book *New Zealand's Top Franchise Leaders, Secrets Revealed*, written by Pete Burdon.

Bull took the reins at Signature Homes in 2014, and has tripled the business in that time.

"The big challenge in the early days was having to relearn how to sell and pitch ideas and initiatives to the franchisees, rather than just telling people what had to be done," he says.

An interesting factor in that growth of Signature Homes is that it has been achieved with the addition of just one new franchisee.

Bull says the focus has been on optimising the growth of each franchise by coming up with unique and local strategies. The franchise



Signature Homes chief executive Paul Bull

model has been effective in making this happen.

"To achieve this, we've basically become thought partners with our franchisees. It's more of a coaching and mentoring-type relationship, rather than telling them exactly what to do," he says.

Bull believes the other critical factor in Signature

Homes' success has been recruitment.

"Getting the right people in the right roles is the key to a successful franchise. If you get the right people on board, you can do anything," he says.

"We've unearthed the entrepreneurial spirit of each franchisee, and given them confidence because they've got a support office that's going to coach and mentor them to the highest possible standard."

Signature Homes has 13 franchisees across New Zealand. It has won multiple franchise awards over the past four years, including the Supreme Franchise System of the Year in 2016/17.

New Zealand's Top Franchise Leaders, Secrets Revealed can be found in bookstores or at www.franchiseleadersbook.com.

Burdon is a best-selling author of books sharing the stories of leaders in specific niches.

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Communication the key

Roofing Association of NZ chief executive officer Graham Moor shares his experiences and observations on how effective communication pays off.

In an age where it has never been easier to be informed or inform others, I see many instances of poor communication.

This, in turn, leads to wasted energy, frustration, poor productivity and damage to your reputation — oh, and then the customer complains to your trade association.

Any interaction with a customer is about building, and/or enhancing the relationship. Like any relationship, expectations need to be realistic and obtainable. If you do nothing in setting the expectation, then you can't add much to the narrative.

"The customer is always right", "Not my fault", "I never said that", "That was only a guess", "I was too busy", "It's always done that way", "You didn't return my call", and "I don't return voicemail calls".

Ever used any of these excuses? Do you believe any of them? Are these acceptable or just a deflection?

DWYSYWD. This is an acronym for "Do What You Say You Will Do". Integrity in your business relationships comes back to you in spades. Customers are primed and at the ready to call you out if not.

We all have to manage all that goes on in our businesses, including work volumes. No, it's not easy and few are good at saying no!

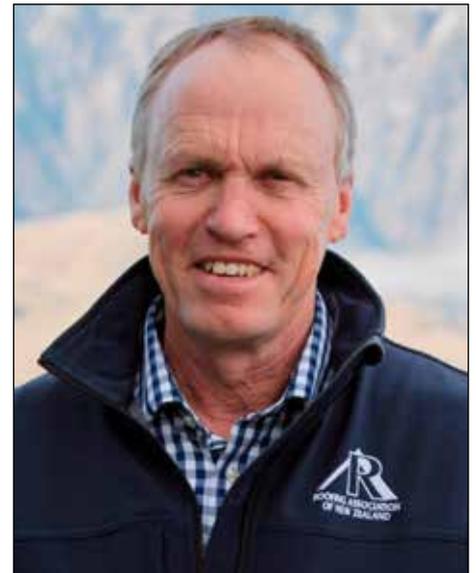
If you give a customer a start date, check in prior to the date to ensure that this still lines up. If there is a change of date, reset your comms to your customer and, if required, to your suppliers also.

Likewise with specialist-trades contractors, the builder needs to be reasonable. As a roofer, I had my share of builders call and advise measure-up dates, only to arrive at site to see slab down and not a truss on site!

One of my best customers consistently gave me an on-site date which he missed only a couple of times and, in those instances, we were made aware of the miss a week beforehand.

He always met his customers' handover dates, and has been very successful.

It has been my experience that, in general, tradespeople communicate reasonably well. Unfortunately though, when communication does break down, disputes arise.



Where things fall over, I have seen that, typically, one of two not-so-helpful responses have come in to play when confronted and, in some instances, both do.

The first is Flight: "If I ignore it and take off in another direction, it will go away".

The second pertains to those that choose to turn it into a fight.

Confrontation won't work

It is extremely rare that it is the customer's fault. So sometimes tradies opt to get confrontational and think this will work out well. It doesn't.

And there's a fitting cliché which points to a more helpful approach: "We have one mouth and two ears."

Frequently, the customer will tell you what their expectations are from a job's outset.

If the outcome does not meet what they thought they were getting, this frequently results in both parties arguing.

Reach out to your trade association. They are only too willing to help when circumstances require it.

As tradies, we don't know everything all of the time. There's no shame in using your membership to get advice to help work your way through these moments.

New look and expansion for Silvercard EWP training

Silvercard's improved Competent Operator training system for Elevating Work Platforms (EWP) has recently rebranded to a fresh new look, and updated its courses.

Silvercard is administered by the Hire Industry Association of NZ (HIANZ), and uses independent training organisations to deliver the courses in most areas across the country.

These trainers provide a consistent and well audited/moderated presentation so that operators obtain the high standards that they promise to deliver.

Silvercard is committed to providing the highest quality training for EWPs in the country.

Along with improvements to the course content for EWP training and assessment, Silvercard now offers a training and assessment course for NZQA US23229 (the use of a safety harness system when working at height).

This strengthens and supports the existing

course for assessing competent operators of EWPs.

HIANZ chiefs executive Rodney Grant says providing a high-quality training and assessment product to the market is very important to HIANZ members.

"Our members have assurance that Silvercard Competent Operators are well trained to operate their hire fleet, and know they will do so with a focus on safety.

"Project sites, contractors and employers get the same assurance that the Silvercard Competent Operator is focused on safety and the safe operation of the EWP," Grant says.

The first point of call for finding a local trainer is through the www.silvercard.co.nz web site. The site also has general information on the courses available and the NZQA unit standards that are assessed through the courses.

There is also the ability to search and confirm the EWP operator on your site is competent by

checking the database of more than 15,000 operators.

Competency is measured by the achievement of the relevant NZQA unit standard for the different types of EWP.

The Best Practice Guidelines for EWP explains this further, and sets the need for refresher training after three years.

Silvercard provides the refresher training, and has a training refresher reminder on the Competent Operator Card.

However, competency is not guaranteed for the full three years, and operators who do not use an EWP type regularly should seek re-assessment more regularly.

The new branding was rolled out on the operator card and web site from December 2020, with course improvements and additions already being offered.

For more information, contact Rodney Grant at ceo@hianz.net.nz, or visit www.silvercard.co.nz.



Competent EWP operator courses delivered by trained professionals across the country.

Silvercard™ elevated work platform (EWP) courses are specifically designed to ensure that operators of EWP's have adequate knowledge and competency to use the equipment.

Participants may complete one or several EWP types depending on the work they intend to under-take.

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Silvercard™ courses are matched to allow achievement in the following NZQA unit standards*:

- 23966 Describe types of EWP, and legislative requirements for their use (theory)
- 23960 Assess the worksite, prepare and operate a scissor lift EWP (practical)
- 23961 Assess the worksite, prepare and operate a truck mounted EWP (practical)
- 23962 Assess the worksite, prepare and operate a self-propelled boom lift EWP (practical)
- 23963 Assess the worksite, prepare and operate a trailer mounted EWP (practical)
- 23964 Assess the worksite, prepare and operate a vertical lift EWP (practical)
- 23229 Use safety harness system when working at height (theory and practical)

*Unit standards are delivered and assessed by Skills registered assessors. Trainees are enrolled with Skills and all results reported by Skills to NZQA.

Visit www.silvercard.co.nz or call (07) 575 2563 to find out more information and a trainer near you.

Building skills for tomorrow, today

By BCITO chief executive Toby Beaglehole

In late 2020, the Building and Construction Industry Training Organisation (BCITO) reached the milestone of 16,000 apprentices actively training.

As the organisation's new chief executive, I am seeing first-hand that this is helping, but demand for skilled workers is still outstripping supply.

This milestone is a great achievement, and shows we are moving in the right direction to grow the number of skilled tradespeople in New Zealand.

Although we are seeing a positive shift, there is still more work to be done. Many more people are needed to start formal training now if we are to match New Zealand's demand.

Government, industry and vocational providers are all working on multiple fronts to address training needs, and the Government's Apprenticeship Boost and Free Trades Training have significantly increased interest in apprentices and apprenticeships.

Perception of trades careers

Public perceptions are changing, and trade careers are gaining in popularity for career seekers and career changers alike.

The combination of more work being available, and the Government's support for apprenticeship costs, have directly driven more people into the trades, and are encouraging more employers to train.

For a sector still challenged with a skills shortage, this is great news.

IPSOS research shows the biggest improvement in perception in 2020 was within the Maori community, where positivity towards trade careers rose by 7%, showing our diversity and inclusiveness strategies are having an impact.

It is fantastic to know that trade careers are being viewed as vocations where talented people can excel, achieve professional qualifications and become valuable contributors in our industries.

What drives us is seeing people get qualified, and the smiles on their faces when they cross the finish line.

They are successful — they are the right person, in the right place at the right time with valuable skills on board.

And this is what makes BCITO people get up



BCITO chief executive Toby Beaglehole.

every morning and go to work — it's incredibly rewarding being part of their journey.

Change brings challenge

There have been many challenges in the past year for businesses from so many angles.

We get that even if you're in a growth sector, ongoing growth brings its own challenges in terms of workload, a stressed workforce, and scaling up without falling over.

We get that growth has to be built on strong foundations, and one of those foundations is people.

In 2021, one of the biggest challenges we have at the BCITO is moving through the reform of vocational education (RoVE) and ensuring employers' needs in terms of training are met and exceeded, not disrupted.

We support the Government's decisions, and are working in partnership with Te Pukenga (New Zealand Institute of Skills and Technology) and the Tertiary Education Commission (TEC) to ensure that the only impacts on employers and apprentices are positive ones.

We have an opportunity here to contribute to one of the biggest reforms of vocational education New Zealand has ever seen.

We want to ensure that work-based learning is readily available and flexible enough to suit everyone's individual needs, even if those needs change over time.

Education and training can help people achieve their goals in life, whether they want to

improve themselves, their job prospects or their community.

Together with industry we'll work to ensure the employer voice is heard, that any transformation process that occurs this year and beyond is employer-focused, and that any changes made are positive enhancements that result in an individual or a business' success in terms of education.

Get involved

We believe the Government's Apprenticeship Boost and No Fees schemes have

directly driven more people into the trades, and are encouraging more employers to train.

For a sector still challenged with a skills shortage, this is great news.

It is fantastic to see more employers taking on apprentices and so many people getting qualified. It's an absolute win-win.

There are no fees at present, the apprentice gets to earn while they learn, and for the employer it is an investment in their business and the industry.

We would like to see the Government's support for employers continue past the two years for which it is currently available to ensure we continue to attract employers to industry training.

The construction industry needs confident, capable and motivated professionals.

Through on-the-job training and regular guidance, the BCITO will support the construction industry to build a skilled workforce — one where talented people can excel, achieve professional qualifications, and become valuable contributors to industry and society.

We are growing along with industry so that we can support the high volume of people and businesses involved in training.

We have never had this many people in training before in our entire 30 years of operation. With the Government support available, there's never been a better time than now to get involved and train an apprentice.

We look forward to working with you throughout 2021 to increase the number of qualified professionals in the construction industry.

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Timber manufacturing sector under pressure — but in good heart

By Bruce Larsen, general manager and a director of Waipu-based timber manufacturer Northpine Ltd.

The timber manufacturing sector is under pressure!

Currently in New Zealand, the demand for structural timber is outstripping supply. Compounding this is the fact that most, if not all, processors are just back from a shutdown.

Generally speaking, businesses will have been undertaking maintenance and capital improvements, as well as compliance surveys and other “must-do” activities, rather than just having a holiday. The stress is likely to get worse before it gets better.

As everyone is aware, the forecast slowdown in housing demand after the April 2020 lockdown never materialised, and timber demand is very strong here and overseas.

Despite what we see on television and online, the US, Europe and Australia all have strong demand for our Appearance Grade radiata pine.

Demand for sawlogs in China is strong, with very good prices at the ports, so forest owners currently have choice, which means log prices are increasing everywhere.

Most domestic mills will have increased timber prices over the past month or so. Many will be considering another increase as their feedstock prices continue their upward trajectory.

What has caused the shortage? Has the speed of house building and renovating really increased dramatically since lockdown? Is



significantly more timber being sent offshore? Or is it something else?

It's hard to believe there are a greater number of builders at work now than last year, so is it a material supply shortage?

A number of mills were closed last year, including a couple of substantial ones.

Perhaps this and the ongoing strong demand have created the issue.

Either way, timber merchants are generally short on supply, and the timber supply chain is carrying very low stocks.

There are stories of suppliers cancelling orders, and almost everyone will be rationing

their supply in some form.

Builders need to be aware that it is not only goods from overseas that are in short supply — their standard 90x45 SG8 H1.2 KD framing is also a scarce commodity at the moment.

Why are export log prices on the increase? Again, when you look at media reports, the rest of the world appears to be in various stages of lockdown.

However, demand for logs remains strong in China, driven by domestic consumption for construction — even though export markets for furniture and other wood products remains weak.

China's political fallout with Australia means almost no logs are being exported from Australia to China. That leaves a hole in supply.

The difficult container trade around the world also means it has become difficult for European logs that are supplied in containers to reach their shores.

But history also tells us that when the Chinese log price gets to a high point, other countries start to supply, and that rapidly takes the heat out of the market.



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Guides explore environmental sustainability of wood

The environmental credentials of wood are sometimes obvious and need little explanation. As an organic material sourced from a biological resource — trees — it is the only renewable mainstream construction material.

As we face immense global challenges of climate change, increasing urbanisation, population rise and resource depletion, wood clearly has a part to play in the solutions needed for more sustainable construction.

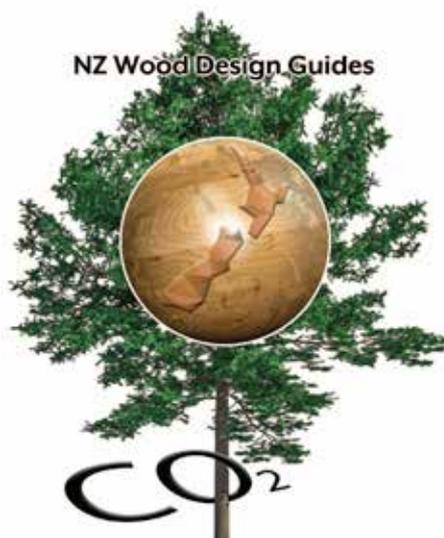
Given the overarching and urgent challenge of reducing greenhouse gas emissions to combat global climate change, the *New Zealand Wood Design Guides* explore the environmental sustainability dimension of wood, with a specific focus on the carbon benefits of using wood in construction.

Being “renewable” and “low carbon” are the most cited environmental benefits of wood. However, assessing the carbon benefits of wood, as well as its broader environmental sustainability, is a complex matter with opportunities for confusion and misinterpretation.

For this reason, the guides look at the meaning of the terms “carbon footprint”, “sequestered carbon”, “Life Cycle Assessment” and others.

It examines how the carbon footprints of wood and buildings made from wood are evaluated, and how to make fair comparisons with other materials.

They provide readers with useful information to make their own assessments on the carbon credentials of wood, and provide context around issues related to the use of wood in construction, such as the sustainability of the forestry sector, the use of glues and treatments in wood products, and the carbon emissions from transporting wood products.



Finally, they explore how the construction industry can recognise the carbon benefits of wood in sustainability ratings tools and indicators, and how regulatory drivers could be used to promote the use of wood as a strategy to reduce the carbon emissions from construction.

The following nine points summarise the content of the Timber, Carbon and the Environment topic covered by the *NZ Wood Design Guides*:

1 The use of wood in construction can reduce a building's environmental impact with respect to climate change in two ways:

- By substituting for materials with a higher embodied carbon (the substitution effect), and
- By storing carbon that has been sequestered (by trees), effectively “locking up” carbon for the long term.

2 The carbon footprint of a building includes operational and embodied carbon impacts. As

buildings become more energy efficient, embodied carbon impacts are becoming more important.

3 A full carbon footprint of timber products includes all stages of the building's whole life cycle, which includes “cradle-to-site” processes, activities during the building's operation, and end-of-life impacts.

4 Although end-of-life impacts for timber construction products are hard to assess because of assumptions that need to be made, there is increasing certainty on the amount of carbon dioxide that is returned to the atmosphere for each scenario, particularly for disposal in landfill, which is not as much as previously thought.

5 Life Cycle Assessment (LCA) is becoming more mainstream and accessible, with life cycle data published in Environmental Product Declarations (EPDs) becoming more widely available.

6 The low carbon footprint of timber construction products will become increasingly recognised in sustainable building rating tools and indicators, as they move from only addressing operational emissions to also focusing on embodied carbon.

7 Most timber products made from New Zealand forests can be certified as sustainable, and currently the amount of forest cover in New Zealand is growing.

8 Chemical treatment and adhesives used in timber construction products do add to the environmental impacts of these products, but when compared to alternative materials, they are often negligible.

9 Timber buildings can play a part in meeting New Zealand's greenhouse gas reduction targets, but afforestation should not be used as a substitute for reducing emissions from the use of fossil fuels.

Sector in good heart

From page 26

Knowing the timber industry, and having been through a few “boom and bust” cycles, it is very likely that the industry will work hard to bring itself into an oversupply position.

When demand increases and prices are favourable, commodity producers naturally decide that this is the right time to add more capacity, increase their market share and lower their costs.

This is fine until too many processors follow this thinking and supply begins to outstrip demand.

It is at that point that merchants see that their orders are being filled quickly, and they stop placing multiple orders with competing suppliers for the same products — which they have done just to make sure they get some.

Then the industry suddenly realises that demand wasn't actually as high as it appeared.

A proportion of the perceived excess demand was caused by multiple orders of the same product being fed into the supply chain, and the “bust” part of the cycle inevitably follows.

What will 2021 bring for the timber industry

here? Assuming there are no major Covid outbreaks, the medium term looks pretty good.

There will inevitably be a peak to the cycle and a downward trend, but factors such as Government infrastructure stimulation, the need for more community and low-cost housing, and the growing awareness of “green” credentials all bode well for timber.

There will be the inevitable roadblocks, and the current “feeding frenzy” is a bit of a worry, but fundamental demand appears sound.

The timber manufacturing sector is in good heart.

Building scientists concerned over fire risks after proposed cladding safety changes scrapped



Sixteen months after the Sky City Convention Centre fire in the Auckland CBD, building scientists are voicing concerns about the combustibility of cladding — including timber — still being used on many New Zealand buildings.

Sixteen months after the Sky City Convention Centre fire in the Auckland CBD, building scientists Oculus Architectural Engineering are voicing concerns about the combustibility of cladding still being used on many New Zealand buildings.

Co-director Shawn McIsaac says there are thousands of Kiwis living in multi-storey buildings with combustible cladding and timber as part of the facade assembly, and that proper testing is the only way to make sure buildings are safe, preventing disasters such as the Grenfell Tower apartments fire in London in 2017.

Proposed changes to the building code that would have required much more rigorous fire testing of cladding on buildings between 10 and 25 metres tall appear to have been indefinitely postponed by the Ministry of Business Innovation and Employment (MBIE), despite submissions showing overwhelming support for them to go ahead, McIsaac says.

“We need to ask the public whether they feel safe in an eight-storey building with combustible materials on the outside. It appears that will be permitted.”

Oculus co-director James Powers says the changes would have clarified that all materials in the wall “build up”, including items such as timber studs and battens, would have to be tested.

However, he says pressure from the timber industry has influenced the decision to hold off on implementing them.

“The MBIE had proposed changes to take effect in June 2020 that would have expanded the types of testing that could be used, clarified the definition of an external wall material, and further clarified that all materials in the wall need to meet test requirements,” Powers says.

“This proposed change was suddenly reversed in October 2020, and they are now proposing that timber is exempt from testing for buildings up to 25 metres.”

He said this would mean New Zealand’s regulations would be getting more relaxed, which was the opposite to global safety trends, and that the MBIE had cited concerns on the impact the changes would have had on the timber sector, as well as the need for more evidence, as reasons.

“Supporting the timber industry in providing sufficient evidence that the timber in building facades could be protected in the event of a fire would have been a positive move,” he says.

“Like any other material that is combustible, there needs to be testing to show that it can be protected in the event of a fire.

“The proposed changes, that fire testing was required where timber was present, was a responsible solution, and follows global precedence.

“New Zealand is different from other developed countries in that timber is used in facade assemblies for tall buildings.

“This potential weakness means that we can’t use a lot of fire testing data from overseas. We need to bridge the gap.”

Global building activity increases timber demand

“The high construction activity combined with a very active ‘do it yourself’ sector in several European countries have resulted in an increased demand for softwood lumber”, says Jenny Wessung, chief executive at forestry data analysts Woodstat.

“We can expect a further increase in construction activity in 2021 to 2023,” Wessung says.

“Even in the UK we have seen a higher activity in the housing sector, and latest figures are close to the previous year.”

In China, housing starts in November were more than double compared to 2007. In the US, single family housing starts in November increased to the highest level since 2007.

This can be explained by a shortage of houses and extremely low interest rates. According to the National Association of Homebuilders, single family construction will increase further in 2021 to 2023.

“The high construction activity in many countries and an increased activity in lumber construction has led to an increased demand for softwood lumber,” Wessung says.

Working with the police to keep your tools secure

Millions of dollars worth of construction equipment and materials are stolen in New Zealand every year.

Workplace Health and Safety legislation puts more pressure on construction companies to keep equipment and staff safe.

A range of security issues, including accidents, vandalism, and theft of equipment and materials are challenges that construction companies face on a daily basis — and installing an effective system is essential to ensure site safety and security.

But NZ Police have some commonsense guidelines that builders and building companies can implement to help keep sites, tools and staff safe. These include:

Tagging and other damaging behaviour

There is generally much less tagging than took place a decade or two ago, and quick removal of tagging is an important part of reducing this type of vandalism.

Keep spare paint aside and after tagging removal, wrap the used brush/roller in glad wrap and place in a plastic bag for easy re-use without the need for brush/roller washing.

You can help young people understand how tagging degrades the pride and perception of safety in their neighbourhood.

Some of our youth are self-harming by huffing/sniffing paint and other solvents. This can be life-threatening, and cause long-term damaging behaviour.

If it's happening in your area or around your site, call the police on 111. If you have information about taggers or other non-urgent matters, call Crimestoppers on 0800 555 111. For tagging removal, call Tag Out Trust on 0800 824 688.



Theft and burglary

Builders need to be a lot more vigilant about security if they are to reduce the risk of being a target, and to better protect their clients' homes or buildings.

Don't make it easy for thieves by leaving property, equipment and materials lying about unattended, readily accessed and easily disposed of. Tips include:

- Ensure your building site is secured with safety fencing and suitable locks.
- All visitors to sites should follow WorkSafe procedures and sign in, whether through technology such as an iPad, scanning via an App, or manually writing in a sign-in book.
- Arrange for appliances to be delivered as close to move-in day as possible, and install them the day they arrive. If this is not possible, store them out of sight.
- Once the appliances are unpacked, don't throw the boxes and packaging onto the top of the skip.
- Provide contractors with contractors' keys to enter the house during construction and not owners' keys. The owners' keys will reset the lock after handover.

Store the keys in a lockbox, and only provide the code to trusted contractors. Regularly

change the lockbox code, and never use the same code for different jobs.

- Don't park your vehicle on the road at night. If you can't park your vehicle in the garage, at least back it right up to the garage door so the canopy

can't be opened. Alarm the canopy as a deterrent.

- Keep a register of your tools, and mark or engrave them. Spraying with orange dazzle isn't enough.
- Record serial numbers of appliances and equipment, and write your company number on the back in invisible ink to identify them if they do get stolen. You can record serial numbers in a notebook or at www.snap.org.nz.

Recording details reduces the attractiveness and value of the item to thieves, and helps police recover the goods for you or your insurance company. It also enables police to hold the culprits more accountable.

- Use an on-site camera as a deterrent. There are reasonably priced cameras available now that send alerts and pictures to your cellphone if there is movement on site after hours.

For camera placement, consider the right to privacy of your neighbours, and don't place cameras where they can be seen and, believe it or not, stolen.

Police can do a lot more when they get prompt reporting, fingerprints, DNA and good offender descriptions — and CCTV can play a role in this.

Clear images can result in police identifying suspects through community-based enquiries and door knocking at a few local addresses.



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Down under

Architect Don Bunting revisits the South Island expecting to see better progress since the earthquakes.

Visiting Christchurch for the first time since 2011, the year of the second and most devastating earthquake that struck the city, I expected to see more progress.

I expected to see a city, a recovering one certainly, but a real, vibrant city.

There were some positive signs, such as a great little downtown river market and some significant retail and commercial developments but, as you approach Cathedral Square, the hub of the old city centre, gaps appear.

Yes, there is a fine new central library tucked alongside the Novotel Hotel, and the looming bulk of a new conference centre — although I can't understand many councils' attraction, here and overseas, to developing large conference centres.

Virtual conferencing

Most, if not all, remain empty a great deal of the time, and fail to offer the city any sort of revenue stream.

With the growth in virtual conferencing, such large public spaces rapidly become surplus to requirements, unless they can strike just the right balance as a multi-use arena.

Not forgetting the recent effect of Covid and the collapse of international travel — at least for some time — the world has, and must, move on and adapt to a new normal.

That poor, damaged Christchurch Anglican Cathedral. Should it have been allowed to rest in peace or, more importantly, provide a new symbol of a new city?

Clearly, there is a lot of history held within those damaged old walls, but the cathedral is much more than a house of worship — it is, or was, the very core of Christchurch.

Perhaps Christchurch sorely needed a new core, a new symbol.

Still, the River Avon adjoining the incomparable Hagley Park has retained its special appeal. In fact, recent improvements providing access down to water level at key points have added to its charm.

Some of the steps feel close to being dangerous for the unwary or the less able. However, further planting at certain points will prevent this without losing the feeling of

opening the lowered areas of the river up to view for passers-by.

Further out

Moving beyond the city centre you are confronted with swathes of blank city blocks, many used as temporary car parks, others converted into open parkland, mirroring but not quite matching the appeal of Christchurch's many elegant squares.

Yes, terrace housing is beginning to appear, but the closely packed blocks fail to excite as a new form of inner-city housing.

Many houses remain empty because of the tight layout and the, frankly, minuscule internal layouts of the individual houses. Shades of 1950s Welwyn Garden City on the outskirts of London — not the green and pleasant land city dwellers aspire to.

Further out of the city and towards the coast, Sumner offers an abject lesson on what and where not to build at all.

Beyond the small township itself, it is concerning to see the amount of rebuilding allowed to proceed on slopes even brave Wellingtonians, on far more stable land, would think twice about developing.

While it can be difficult to take away what current land owners would see as their right to redevelop their own land, sometimes you need to learn from history.

The Kaikoura Coast

Travelling south from Marlborough, the damage caused by the November 2016 earthquake to the coast road and associated railway line is painfully obvious — exacerbated by the long delays caused by traffic forced into single file.

But nothing can detract from the rugged coastal features, highlighted on such a perfect sunny day.

Kaikoura is a gem — one I had not appreciated was set on a fine, sweeping peninsula.

At the far end of the beachfront is the perfect old pub for a crayfish lunch. The hidden internal harbour suffered severely during the earthquake and subsequent changes to the harbour bed.



Nevertheless, the new wharf complex has added value for tourist boats and fishers.

Here's hoping for a few more visitors to take advantage of the new facilities and encourage completion of the new, but now mothballed hotel.

Going west

Imagine a population of 31,500 (based on the 2018 census) spread over 600 kilometres of narrow coastline, bordered by mainly impenetrable, wet and inhospitable mountains.

This does not give a true and honest description of the coast's rugged appeal, or the wonderfully wild grandeur of places such as Punakaiki, but it does describe the physical challenges and the region's isolation from the rest of the South Island.

As the West Coast attempts to escape from its often-painful mining past, a surfeit of local-body politicians and bureaucrats does its level best to block any significant progress.

Three district councils — Westland in Hokitika, Grey District in Greymouth and Buller in Westport — along with the West Coast Regional Council in Greymouth, means there is enough hot air and local self-interest to block even the most determined entrepreneur.

Nevertheless, the locals I met during my brief stay showed me that there is enough rugged individualism to counter any attempt to tie them down.

It's just a pity that their voice is seldom heard beyond the region.

Surely a single voice representing this sparsely populated, beautiful and exciting region would help in putting its case forward for greater recognition and support.

Unfortunately, parochialism and recent history make that unlikely to happen any time soon.

Two out of three ain't bad

Architect Don Bunting compares his impressions of two of the three Guggenheim museums he visited 50 years apart.

A couple of years ago I finally managed to visit the second of three Guggenheim museums — this being the Frank Geary-designed Bilbao Guggenheim.

The third and most recent design is the Abu Dhabi Guggenheim, again by Frank Geary. I saw the first, by architect Frank Lloyd Wright, more than 50 years ago in New York. As Meatloaf once sang, two out of three ain't bad.

Solomon R Guggenheim

Solomon Guggenheim was the son and financial beneficiary of a Swiss immigrant who made his fortune in gold, silver and copper mining.

It also helped Solomon's later benevolence that he married Irene Rothschild, the daughter from a wealthy family of bankers.

It was Irene who first introduced him to painting, but it was German artist Hilla Rebay who introduced him to abstract art, and helped set up his foundation for the promotion of contemporary art in 1937.

Neither Guggenheim (died 1949) nor architect Frank Lloyd Wright (in 1959) lived to see the completion of the first Guggenheim museum



and art gallery in early 1960.

Guggenheim's niece Peggy worked as the New York Guggenheim's art gallery director until she moved to Venice in 1969.

Her residence on the Grand Canal displays her private collection of art, donated by her to the Foundation prior to her own death in 1979.

Why Bilbao?

Architect Philip Johnson, winner of the

inaugural Pritzker Prize — the Nobel of architecture — said the Bilbao Guggenheim was "the best building of our time".

Johnson was no great fan of Frank Lloyd Wright, the architect of the New York Guggenheim, so he was unlikely to have put Wright's design in the mix.

Johnson was also a fan of post-modernism, and would have been attracted to Geary's ability to give his buildings a unique flavour outside any particular genre.

As an example of his unique approach to each commission, Geary's ING Building in Prague is described as "Fred and Ginger" (Astaire and Rogers) due to the building appearing like two dancing figures.

Since the Guggenheim's inauguration in 1997, it has been the driving force behind the city of Bilbao's economic and social transformation.

The building also physically transformed a former industrial neighbourhood on the edge of the Nervion River that runs through the city, discharging into the Cantabrian Sea in the Bay of Biscay.

The area is now packed with cultural centres and tourism facilities.



Architect Philip Johnson, winner of the inaugural Pritzker Prize — the Nobel of architecture — said the Frank Geary-designed Bilbao Guggenheim was "the best building of our time".

Geary modestly said that “it did put the city of Bilbao on the map, and I guess it put me on the map as well”.

The city of Bilbao

The city was founded at the start of the 14th Century. Within 10 years of its founding, it established a trading monopoly due to the privileged location of its port, protected from storms — and attacks by pirates!

During the 18th Century it became the main economic centre of the Basque region due to the development of the steel and naval industries.

In the 1970s, the steel industry and shipbuilding sank into a deep economic depression, exacerbated by the international petroleum crisis and the ongoing effects during the next decade of Spain joining the European Union.

Social unrest in the metropolitan area reduced Bilbao's appeal as a tourist and commercial centre even further. It needed to do something drastic to reconnect to its river and to the world.

In 1991, the Basque Administration got in touch with the Guggenheim foundation to propose collaborating on a contemporary art museum.

Titanium on steroids

Unlike Geary's Disney Theatre in Los Angeles — designed before Bilbao but its construction was delayed due to Walt Disney's death — Bilbao is sheathed in titanium rather than stainless steel.

Geary thought that the building's proposed site next to a tidal river would be too corrosive for steel and, at best, would result in unsightly staining of the metal's surface.

The result is an ever-changing, shimmering palette of subtle colouration on the slightly wavy surface of the overlapping titanium “scales” (Geary's term for the overlapping surface plates).

For some critics, Geary's apparently cavalier approach to form gives the building a somewhat random appearance, often at odds with the interior spaces.

The Disney Theatre's external appearance is apparently a homage to Mrs Disney's love of roses, while inside the main theatre is a simple



The New York Guggenheim was built on two parcels of land on 5th Avenue, opposite Central Park. Architect Frank Lloyd Wright chose an upside down spiral rising 25 metres to the roof skylight.

rectangular box.

While the exterior form of Bilbao will be either loved or disliked, it provides a striking centrepiece in what is a rather drab semi-industrial area.

The interior spaces also more closely follow the exterior form than in the Disney Theatre, providing some dramatic spaces for displaying large artworks.

There is also a series of more conventional rectangular spaces for more conventional works.

New York's Guggenheim

While first visiting Wright's Guggenheim more than 50 years ago, I have since seen it twice more. I also quite recently saw a movie called *The Internationals*, where the final denouement takes place inside (a model of) the museum's main atrium.

After an extended shootout, the final scene involves Wright's 12-sided “spider's web” patterned, domed skylight being released to crush the remaining villains on the Ground Floor.

In 1943, Guggenheim's adviser Hilla Rebay collected together a list of preferred architects, with help from architect and painter Moholy-Nagy.

However, Rebay finally realised that at that time in history an American architect might be a better choice than the list of European and ex-European names proposed.

It appears that Rebay thought Frank Lloyd Wright was dead, and not a still active 76. When finally approached, Wright sent an invitation to his Taliesin home for Hilla Rebay and “his husband”, wrongly assuming that Rebay was a man.

Nevertheless, they got on well enough, and Wright was offered the commission — beginning a 13-year search for a suitable site.

They finally settled on two parcels of land on 5th Avenue, opposite Central Park.

Wright chose an upside down spiral rising 25 metres to the roof skylight. At this stage in his career, Wright favoured circular forms that existed in three dimensions.

The chosen spiral or ziggurat shape, expanding as it rises higher, appears to defy gravity. The main display area is a slowly descending spiral ramp. Visitors take an elevator to the top level and then stroll back down, viewing the paintings as they descended.

The design was not immediately accepted by the artistic establishment who were concerned that those viewing the paintings would be standing on a slight slope.

And the local authority, at first, insisted Wright provide a fire exit on each floor. After a battle, he convinced them that the building was, effectively, a single storey.

Different paths

The two architects may share a first name, but their range of works differ in the approach taken to form, relationship to site and use of materials.

Nevertheless, they would more than likely appreciate each other's attempts to provide buildings that do much more than simply providing shelter and economy.

Both have also inspired other younger architects and other local authorities to take a risk and see how architecture can be used to add value far beyond the walls and spaces they contain.

Like a deer caught in the headlights . . .

It's summer and, boy, roof iron is particularly hot at the moment. And it's not just the sun making houses hot. Ross Middleton notes that attempts to dampen flaring property prices appear to be making the beating sun reflect off the economic corrugations even more strongly.

The current house price situation is a bit of a fairy tale for property owners although, unlike the three little pigs where the home owners end up safe and the wolf stews in the pot, I think most practical analysts know that this is one tale that won't have a happy ending.

When the wolf, disguised as a money lender comes blowing, even the brick house won't have the equity to withstand the winds of change sweeping through the high towers.

We've heard a lot lately about the "housing crisis", the need to adequately house the less fortunate amongst us, and calls for changes to help ease pressure on the property market as prices continue to climb.

The Government has made a lot of noise about the issue, but just last month simply turned out a reheated housing announcement and some lukewarm signals on housing policies to come.

Meanwhile, banks such as Westpac have taken forecast rate cuts off the table and are now expecting house price inflation to peak at 20% this year.

Some other money wonk says house prices double every seven years — you get the picture.

While the Reserve Bank sits on its hands lest it might have to actually do something, New Zealand housing in its entirety is expected to top \$1.5 trillion in value this month, reflecting a 10-year run that has added about \$900 billion to the value of all housing stock, according to the Bank's own data; a 144% increase over the decade.

Could this bull run now be described as some sort of hyperinflation?

I well remember passing through Zimbabwe in the early 1980s. It was not a great place to be, but if you wanted to get to the barrels at Jeffreys Bay that was what you had to do.

The squalor, the dirt and the fear there (and south of the border) stay with me to this day.



The inflation rate under the newly minted ZANU-PF party of the increasingly rabid Robert Mugabe sat around the 20% mark — bad but not terminal.

On a subsequent visit, the squalor and fear had all ratcheted up a notch, and inflation was running at around 600%.

If you wanted a loaf of bread you took a wheelbarrow full of cash down to the shop. The next day it was two wheelbarrows for the same loaf.

The local building sites took to chaining their wheelbarrows inside sheds surrounded by guard dogs who had caught their rabies off Bob.

I mention this because while the property prices may not be classified as hyperinflation on the Zimbabwe/Weimar Republic level, it does point to an uncomfortable truth about where we are headed, and the actual value of our economy, our currency and our assets.

A predetermined rate of inflation as dictated by our Reserve Bank through its machinations

may be a wonderful thing for some, but the corollary of galloping property values and a government caught like a deer in the headlights mean a continuance of the bumpy ride after getting over the deer.

Labour got back into power on the back of an empathetic leader with a good line in "kindness" and a scientific approach to a pandemic built on the back of our island isolation.

Along the way, for whatever reason, it has fallen into a trough of inertia on its stated key agenda of climate change, child poverty and housing.

No amount of prevarication and new "plans" from our rangatira nui will change that.

The Government made a "rehash" announcement concerning some 8000 units of "public and transitional housing". The issue of course is the same old Kiwibuild one: how?

Worsening issues

Independent economist Tony Alexander's first business survey for 2021 including comments from hundreds of business operators show good demand across many sectors, but some worsening issues with pricing implications.

He points to an extremely strong demand for new residential properties, sections, house and land packages, and townhouses, but with skilled staff in short supply, and materials and supplies erratic and becoming more expensive.

Builders apparently anticipate being very busy, including commercial construction businesses which are facing the same issues, though perhaps not quite the same demand.

They are competing for labour against residential builders and those operating in the civil construction and infrastructure sector where there are concerns about the pipeline of jobs and the ability of public servants to manage contracting processes.

While high level announcements will be made about the Resource Management Act, and Prime Minister Jacinda Ardern says the May Budget would have a specific focus around "supply-side



Bob heads off to the shop for a loaf of bread.

issues”, detail and reality still seem as far off as ever.

And like the leader before her, prognostications of the “over my dead body”-type on issues such as tax-based solutions are hindering progress.

Builders can't go any faster — they have limited human resources and are captivated by the numerous health and safety and regulatory boxes to tick.

Bringing in workers from offshore — that's really not a good look in a pandemic, and replete with problems.

So, property prices continue to escalate unabated. Media lap this up with rhetoric and emotive language catching the eye, but not helping the situation.

While this correspondent is an assiduous user of metaphor and simile, words like buoyant, sizzling, booming, rampant, frenzy and crisis in business columns expounding on the property market merely exacerbate the situation.

Housing equity in New Zealand accounts for two-thirds of households' net wealth — an investment guaranteed to produce better profit than the most risk-centric investment portfolio.

No wonder investors are muddying the housing waters, now buying at higher rates than first home buyers coming into the market.

As reported recently by Radio NZ, data from the central credit reporting agency Centrix shows there are now 15,000 mortgages in arrears, up 2000 from September.

When the pandemic first struck, concessions were made to allow retail banks to defer mortgage payments for customers in hardship, although interest still accrued on the balance.

Of those who took up the deferral option, 80% had come off. However, Reserve Bank data showed \$2.6 billion worth of loans remained deferred. If that's not a red flag, it's certainly not bull.

The effects of a hyperinflated property market are stark, according to one commentator.

“Housing shortages and high resulting housing costs undermine social cohesion. Families are forced to live in less pleasant and overcrowded dwellings, leading to deprivation, adverse health and social outcomes, and unstable environments for young children to grow and learn.” The flames of revolt start from the smallest spark.

Compounding the situation, ASB senior economist Mike Jones has reported that steep house prices are turning off some buyers.

“There's too much demand for quite a restricted supply and there are a number of factors out there, be it lower mortgage rates or certain other policy stimulus that are boosting demand at the moment.”

More than two-thirds of New Zealanders think the housing market will keep booming during the next year, according to the ASB Bank's own housing confidence barometer for October last year.

Before the election, Treasury was forecasting a brief dip in house prices. Having had its face rubbed in a dirty bucket of reality, it's now expecting rampant house price growth over the next five years.

Prices are now expected to grow four times faster than wages and five times faster than the economy as a whole, rising 8.5%.



Property prices are like waves — they both end up on the rocks.

As with most issues, the housing affordability problem is global.

According to the latest OECD report, well over half of the OECD population, on average, reports that they are dissatisfied with the availability of good, affordable housing in their city or the area where they live.

In fact, housing has become unaffordable for many households in the OECD area, pushing the issue to the forefront of the policy debate.

Over the past two decades, as housing prices have risen in most OECD countries, households are, on average, spending a large and increasing share of their budget on housing.

Vulnerable households continue to struggle

The report notes: “While households across the income distribution, particularly the middle class, increasingly face challenges to pay for high housing costs, low-income and vulnerable households have long faced obstacles in the housing market and continue to struggle.”

So, it looks like the middle classes may be joining that revolution too.

No solution to the problem of housing shortage and property prices is going to be easy. But there are some basic foundations that could be applied.

Such as building more houses more quickly by making better use of advanced manufacturing techniques and freeing up supply chains, including the better use of local resources (I wonder how many softwood growers and processors are sitting around boardroom tables and gnashing their teeth as I write?).

Cutting the crap out of the front end

Builders will want to see more of the crap cut at the front end (consenting, box ticking twaddle) while the new owners want to avoid being bilked by bureaucratic ticket punchers who see them as cash cows.

The restrictions on development of the past have resulted in a construction sector inhibited by poorly conceived rules and regulations on the amount and types of building possible, rather than what might be demanded by a growing, ever-changing population.

Judith Collins, the current leader of one of the country's four minor parties, has flagged some sort of detente cordiale on the issue of housing in a recent speech.

She said the situation was “spiralling out of control”, and emergency powers were needed while the Government worked on its Resource

Management Act reforms, which aren't expected to be enacted until at least 2022.

Ardern seemed less than willing to put her hand in the gin trap and find out if bipartisanship could really work.

Politicians endeavouring to operate within the boundaries of their perceived mandate merely undermine the flaws in our democratic systems: bereft of the ability to act like anything other than that headlit deer.

The ritual of the three year (or otherwise) electoral cycle can create varying degrees of headlit inertia.

When the very voters that mandated your governance see the growing value of their primary asset (their home) slowing or disappearing altogether, they will surely be showing their displeasure at the ballot box.

The Government is happily riding the wave of the pandemic at the moment. The question is, do they have an eye for the next set looming on the horizon.

As with those barrelling right handers at Jeffreys Bay, sooner or later all waves come crashing to shore.

Planning might be easier if we knew what was in store in 2021

Terry Sage of Trades Coaching New Zealand says think big in 2021 — but have a Plan B just in case the brown stuff really hits the fan.

Here we are — the first article of the year for the first magazine of 2021.

But to say Happy New Year and compliments of the season just doesn't sound right, as you've probably been at work for four to six weeks already, and the holidays are long forgotten.

However, we still have roughly 46 weeks to look forward to and plan for, so don't give up yet.

It would be much easier to plan for the year if we knew what was in store for us though.

Most of the plans made 12 months ago never got off the ground because of March 25, 2020, and a wee bug that got more media coverage than Harry and Meg — which would have been a plus were it not so serious.

So do we have any idea what is in store? Yes and no. So do we plan or not bother, as it will all be guesswork? You know what — yes, bother, and make the effort.

This is what I have been going through with all my clients over the past month or so — plan for a non-Covid year and then plan a Covid contingency.

Having a contingency is still a bit hit and miss, as we won't know how long we may be affected or what help will be offered. The world is not making it easy, right?

Do we really need to plan? No, of course not, you can just keep doing what you have always done. Not much wrong with that — as long as it's worked.

There is a saying that goes, "if you always do what you have always done you will always get the same result".

If the same result is good enough, sweet, go for it. But if you want change then it will work a lot better with a plan in place.

So, yeah, get off your comfy couch and make a change in your comfortable life.

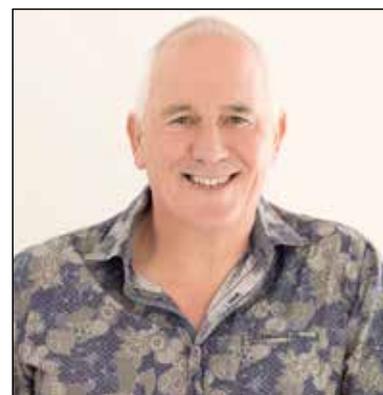
What else is out there that will screw around with any plans? Well, interest rates are a factor.

They're looking great (for borrowing) now, but if you borrow up large and then rates start to go up then cash flow will tighten.

Your costs will increase with the minimum wage increase — and even if you don't have employees on wages that low, the ones you do have might come knocking for a dollar or more anyway.

Then we have the ever-increasing container problem and the supply of materials from overseas.

Even if they do finally land on our shores, the cost of container travel has increased, and



there's only one person who will be paying for that rise — you.

Or, if you're lucky enough to have thought about inserting a relevant contingency into your building contracts, you may be able to pass that cost on to your client.

Then add to this the uncertainty that's floating around, which you may have already encountered — a dead cert client who has a start date then says "we're just going to wait and see . . ."

But wait, there's more — top secret, inside info — the Marsden Point oil refinery is to stop refining oil and become an import storage farm — bottom line, fuel prices will go up and up.

Okay, it's not really a secret and, in reality, it's probably a year or two away — but no one is factoring this in yet.

Here's my take on planning for 2021 — do it, think big, have a Plan B when a possible lockdown hits, don't bank on another pay out, and — here's the gold — stop spending and start saving.

Keep the purchase of the ute for another year, and remember that a bigger boat doesn't catch more fish.

Don't get sucked into all the marketing about how cheap it is to buy right now. Have a nest egg just in case — the more cash you have if the brown stuff really hits the fan the better off you will be.

If the first two weeks of my return to work is anything to go by, it's going to be a very big year. Have fun people.

• **Straight Up with Mike Fox returns next month.**

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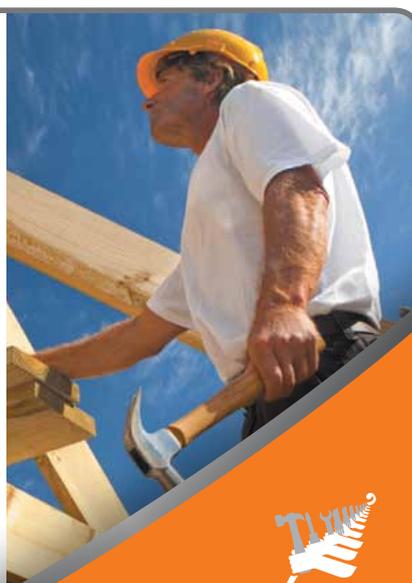
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THE BUSINESS SIDE OF CONSTRUCTION

Builder sentenced under the Building Act 2004 and the Resource Management Act 1991

Timothy Bates and Bodene Robertson-Wright of Auckland law firm TM Bates & Co review a recent case in which 'numerous aggravating features' led to a builder being fined \$80,000.

In this month's article, we review the recent District Court decision in which Judge D A Kirkpatrick was asked to consider the penalties that should be imposed for charges brought against an individual under the Building Act 2004 and the Resource Management Act 1991 (RMA).

Charges

The defendant, John Liong Kiat Wong, pleaded guilty to four charges against him brought by the Auckland Council, all related to a site in Eden Terrace, Auckland.

The charges were:

- (i) carrying out building work without a consent;
- (ii) failing to comply with a notice to fix;
- (iii) failing to obtain a compliance schedule as required under s 100 of the Building Act; and
- (iv) permitting a contravention of s 9(3) of the RMA through converting a building in the business-mixed use zone into residential units, contravening the Auckland Unitary Plan.

The various charges that Wong faced have maximum penalties ranging from \$20,000 to \$300,000, or two years' imprisonment.

Background

After concrete blocks were falling from the property in question onto a neighbour's roof, a complaint was made in October 2018 to the council that unconsented building works were occurring at the property.

Wong confirmed works were taking place. However, he claimed that he did not have time to apply for the consents prior to travelling overseas.

Following council officers' site inspection, which revealed the unfinished building works and habitation in eight residential accommodation units, a stop work notice was issued by the council.

The unauthorised building work included the division of space within the building for the residential units, installation of plumbing, electrical work, and the construction of a

mezzanine floor, to which Wong offered the explanation that the Australian badminton team required urgent accommodation.

In December 2018, a notice to fix was issued, requiring Wong to remove all unconsented works and return the building to the latest consented plans and use, or bring the building into compliance with the Building Act by April 2019.

Abatement notices under the RMA were also issued, requiring Wong to cease using the building as residential accommodation.

In January 2020, a compliance check revealed that at least nine people were still occupying the unconsented units, meaning the Fire & Emergency New Zealand Regulations 2018 requirements were still not met.

Aggregating features

It was submitted on behalf of the council that there were numerous aggravating features to Wong's serious offending under the Building Act.

These included the scale of the unauthorised work, involving structural work over three levels, with nine apartments; the calculated and deliberate nature of the offending; prioritising commercial expediency over public safety; serious risks posed to neighbours; the lack of progress to regularise the situation; and the tenants living in the units for a substantial time without adequate fire safety.

A fine of \$100,000 was suggested on behalf of the council, with discounts for the guilty plea and no history of conviction. Citing cases to arrive at this figure, the council submitted a fine of this level was needed to blunt any financial incentive to cut corners and proceed without a building consent.

Counsel for the defendant submitted that the council should arrive at a figure of \$60,000 following the consideration of mitigating factors, including Wong's character and personal circumstances, and the guilty plea.

Evaluation

In Judge D A Kirkpatrick's consideration of the



circumstances and submissions, he found that the offending called for a substantial penalty, and that a purpose of the Building Act is to provide for the safety of occupants of buildings.

The deliberate behaviour of Wong in failing to obtain the necessary consents and required systems checked was noted by the judge as requiring a deterrent sentence.

A starting point of \$100,000 was accepted and, following discounts, Wong was sentenced to pay a fine totalling \$80,000 across the four charges.

Note: This article is not intended to be legal advice (nor a substitute for legal advice). No responsibility or liability is accepted by TM Bates & Co or *Building Today* to anyone who relies on the information in this article.



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Indicators say industry will be extremely busy — but skills shortages remain

Building Recruitment managing director Kevin Everett says his company's clients hold a positive outlook for the construction industry in the coming months. But that is tempered by the negative impact of continued skills shortages caused by the country's border restrictions.

Now that we are all getting back to normal after the Christmas break, the indicators are that the industry is going to be extremely busy this year.

Speaking to our clients over recent months, the forecast is very positive.

However, you will know from reading my articles that when I start one like this, there is always a but. And, unfortunately, this one is no exception.

What we are seeing in the marketplace is that with the borders still closed, the skill shortage is having a greater impact.

In addition to this, if you employ Filipino workers, you will be at greater risk of losing them.

Last year, one of the major agencies in the Philippines that has been supplying workers to New Zealand businesses over the past five years, has now sent staff to be based in New Zealand.

It seems their sole purpose is to connect with all their workers and their friends in New Zealand and to unsettle them.

They are basically taking these workers and moving them on to someone else.

This is apparently due to border closures across the world, and the agency being unable to move people.

My company and many others have been impacted by this. The result is that it is unsettling workers, increasing wages and slowing down projects.

And if you then hire one of these workers back who's to say they are not going to be poached from you in three months' time?

I am putting this out there to ensure construction companies have some idea about what is going on.

Have you been impacted by the above because your company has brought a worker or workers to New Zealand?

If so, you can make a complaint to the Filipino Consulate as you have rights under an

employment agreement signed between the two countries.

* * *



I am now finishing my second month as operations manager at Mates in Construction, so thought I would give you a little insight about my time with the organisation so far.

Do I have any regrets about taking the role? Absolutely not. This is such an amazing organisation, and I have to say I have never worked with a more passionate group in my life.

In the short time with Mates, I have seen first hand the difference they are making. They have saved lives, but the saddest thing is just how badly the construction industry needs Mates on its building sites.

I have also been surprised at just how passionate our partners are about having Mates on their sites. The support we are getting has been amazing — but it can be much better.

Take a look at our web site and, if you are feeling that things are getting on top of you, please do not hesitate to call our helpline and we will get in touch. This service is free and extremely confidential.

Mates helpline: 0800 111 315, or text 1737.

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Building Consents Information

For All Authorisations, December 2020

Dwellings	\$1,478,733,000
Domestic Outbuildings	\$16,996,000
Total Residential	\$1,495,729,000
Non-residential	\$686,220,000
Total All Buildings	\$2,181,949,000
Non-building Construction	\$29,080,000
Total Authorisations	\$2,211,029,000

Number of new dwellings consented

	Dec 2020	Nov 2020	Dec 2019		Dec 2020	Nov 2020	Dec 2019
Far North District	32	30	22	Horowhenua District	20	24	14
Whangarei District	75	49	25	Kapiti Coast District	21	16	17
Kaipara District	23	29	5	Porirua City	39	27	28
Rodney District	76	98	45	Upper Hutt City	11	25	19
North Shore/Albany Wards	177	210	223	Lower Hutt City	131	92	36
Waitakere Ward	141	202	155	Wellington City	154	78	199
Auckland Wards	491	547	428	Masterton District	14	25	14
Manukau/Howick Wards	420	374	209	Carterton District	8	11	5
Manurewa-Papakura Ward	213	218	104	South Wairarapa District	9	10	2
Franklin Ward	71	91	62	Tasman District	25	41	39
Thames-Coromandel District	25	27	19	Nelson City	23	21	17
Hauraki District	7	9	8	Marlborough District	21	32	32
Waikato District	80	98	77	Kaikoura District	3	1	3
Matamata-Piako District	14	29	34	Buller District	5	9	8
Hamilton City	115	133	123	Grey District	1	1	4
Waipa District	58	39	43	Westland District	2	5	1
Otorohanga District	5	7	0	Hurunui District	11	14	8
South Waikato District	5	5	3	Waimakariri District	47	54	41
Waitomo District	2	0	1	Christchurch City	234	317	214
Taupo District	26	29	21	Selwyn District	155	161	90
Western Bay of Plenty District	51	36	30	Ashburton District	16	19	6
Tauranga City	222	95	93	Timaru District	23	23	14
Rotorua District	19	20	9	Mackenzie District	7	6	16
Whakatane District	7	4	7	Waimate District	3	1	4
Kawerau District	2	4	0	Chatham Islands Territory	5	0	0
Opotiki District	4	0	4	Waitaki District	14	5	5
Gisborne District	9	12	10	Central Otago District	12	20	19
Wairoa District	2	1	1	Queenstown-Lakes District	75	75	119
Hastings District	38	68	33	Dunedin City	48	39	34
Napier City	9	47	15	Clutha District	7	11	2
Central Hawke's Bay District	2	14	3	Southland District	14	9	22
New Plymouth District	58	55	47	Gore District	3	7	2
Stratford District	3	7	5	Invercargill City	29	16	8
South Taranaki District	7	6	4	Area Outside TA	0	0	0
Ruapehu District	6	4	1				
Whanganui District	13	14	9	Total	3751	3881	2955
Rangitikei District	7	4	7				
Manawatu District	12	17	7				
Palmerston North City	33	51	16				
Taranaki District	1	3	5				

- Based on 2006 census areas
- Each dwelling unit in a housing project is counted separately
- Figures in these tables may differ from published statistics

Source: Statistics New Zealand

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hit the Competitions link and correctly answer the Building Today Trivia Question to go into the draw to win a pair of the new Grisport Monza Zip Italian-made safety boots. Product details are on the back cover of this issue. Congratulations go to Kevin Maher, who won last month's Jorgensen Bar Clamp prize.

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