

## **Canterbury Residential Recovery Workshop**

### **ACTION PLAN**

10 October 2012

## SETTING THE SCENE

### PROGRESS:

#### **Land zonings have been completed**

*Decisions have now been completed on what areas will be rebuilt (green) and what areas where the government will enable homeowners to exit (red). Over 6,000 red zone property owners have already accepted their offers and are making plans for the next step in their lives.*

#### **Repairs and rebuilds are happening**

*Fletchers EQR are completing around 1700 homes per month, bringing their total so far to around 26,000 completed homes (about 25% of the jobs, of which 1,500 are within TC3). Together with the PMO's from the insurers, over \$100M was spent on residential repair and rebuilding work in October.*

#### **Settlement of claims are starting to flow**

*EQC are now delivering up to 400 apportioned over cap claims per week to the insurance companies and over \$1.5B (about 23% of total) has already been paid by the insurance companies to residential claimants.*

#### **The guidelines for rebuilding are in place**

*The Government has issued guidelines for rebuilding and repairing homes in areas susceptible to liquefaction and the Councils have also issued many advisory notes to applicants to assist them in the consent process. The Government have also issued a guidance document for the repair and rebuild of houses on land potentially subject to inundation.*

#### **Geotechnical Investigations are underway**

*EQC have completed over 2,500 investigations in TC3 and will have completed their work by March next year, MAS (Medical Assurance) have already largely completed their programme and the other insurers are making progress. At least 30 drilling and CPT rigs are in operation across the region on residential investigations, and we expect more will be coming.*

#### **Minimum Floor levels have been released**

*The Christchurch City Council have released the minimum floor levels to be achieved by newly built homes in the floodplain through an interactive web based viewer; probably the first Council in New Zealand to provide this level of detail to both homeowners and the building and engineering industry.*

#### **Collaborative working is happening**

*There are currently eight working groups between the PMOs, Councils, and the experts from MBIE focussed on streamlining the building process in addition to several working groups involving EQC and insurers. The Productivity Partnership has established a new Procurement Forum for Canterbury, and the Canterbury Employment and Skills Board are producing results. In addition, the main insurance companies are agreeing to share their geotechnical data and their forward investigation plans to optimise the efficiency of the approximately 20,000 investigations to be done in TC3.*

### CHALLENGES

- The market may not always be making well informed decisions regarding the value of properties in TC3
- Approximately 10,000 homeowners still do not know who is managing their claim (over 130,000 do)
- Work to finalise the extent and value of EQC land repairs is not complete
- There remain areas where greater clarity is needed on the regulatory process and extent of engineer's liability
- There is a shortage of Engineers, Quantity Surveyors and finishing trades
- The demand and cost for housing is increasing as the number of families that are out of their homes while they are being repaired and the migration of labour to do this work increases
- Not all sectors are completely confident working in TC3 and need additional information

## RESIDENTIAL RECOVERY ACTION PLAN

**10 October 2012**

Ref	Issue	Action	Co-ordinator	Contributor	Timeline
<b>A</b>	<b>REGULATORY REQUIREMENTS</b>				
A.1	Engineers wanting greater assurance that 'readily repairable' solutions comply with the Building Act.	Clarify the relationship between readily repairable criteria and the Building Code  Risk profiles of Canterbury properties to be considered from an underwriting perspective	MBIE and Engineering Advisory Group	ICNZ	Dec 2012
A.2	Uncertainty on definition of works that are exempt from requiring a building consent	Progress the clarification of the scope (and potential extension) of exempt building work with urgency	MBIE	Consent Operations Working Group Exemptions sub-group	Dec 2012
A.3	Uncertainty of application of new Licensed Building Practitioner requirement on Engineer's certifications	Clarify and agree relationship between Restricted Building Work Certificate of Works and Producer Statements (work is underway)	MBIE	Building Consent Authorities and IPENZ	Dec 2012
<b>B</b>	<b>COSTS and LIABILITY</b>				
B.1	Need to ensure quality and consistency of engineering practice	Further develop training and report review proposals to enhance greater consistency of engineering practice	MBIE	IPENZ	Report back to next Forum
B.2	Real and perceived onerous liability risks on Engineers, including Consumer Guarantees Act, leading to over design or withdrawal from involvement in TC3 works	Combined industry workstream on liability issues, including the involvement of other government agencies	MBIE and EAG	Treasury, CERA, IPENZ	Feb 2013
		Consider if any aspects of the Guidance could be adopted as Acceptable Solutions, and the process and time frames	MBIE	-	Feb 2013
B.3	Uncertainty as to costing of TC3 foundation solutions	PMOs exchange information on foundations costing approaches in order to gain common understanding of typical costs of new foundations	CERA	Consent Operations WG TC3 foundations sub-group and EAG	Dec 2012

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<b>C</b>	<b>INDUSTRY INFORMATION AND METRICS</b>				
C.1	Insufficient information on effect of TC3 on property values	Provide broken down sales data for TC3	REINZ and MBIE	-Real Estate companies	Nov 2012
C.2	Insufficient information on rebuild and repair activity in TC3	Provide more information for banks and property professionals and wider industry	CERA and MBIE	PMOs and Insurers	Dec 2012
C.3	Duplication of work on resolving issues, and lack of awareness of how an issue is being managed	Provide schedule of working groups and their scopes	CERA	All	Oct 2012
<b>D</b>	<b>RELIABLE INFORMATION FOR HOME OWNERS</b>				
D.1	Uncertainty for homeowners and construction industry in process	Develop detailed process flow chart	CERA	ICNZ and PMO's	Nov 2012
D.2	Lack of confidence of homeowners in solutions. Education and promotion needed to ensure decisions are well informed	Update and disseminate TC3 communications and engagement plan	CERA	MBIE	Report back to next Forum
D.3		Publish case studies of working in TC3	CERA	MBIE	On-going
D.4		Facilitate the establishment of show homes	CERA	MBIE	July 2013
D.5		Facilitate the demonstrations of solutions	CERA	HCNZ	On-going
D.6		Facilitate the development of a comprehensive information portal for homeowners and industry which is well organised and easily accessible	CERA	MBIE and ICNZ	Early 2013
<b>E</b>	<b>COLLABORATION</b>				
E.1	Cross sector communication is essential	Continue this conversation. Re-convene this forum on a quarterly basis and update this Action Plan	CERA	MBIE	Next Forum in Feb 2013
E.2	Sharing of geotechnical data	Maximise the sharing of geotechnical data to enhance the understanding of risk	CERA	Insurers	On-going