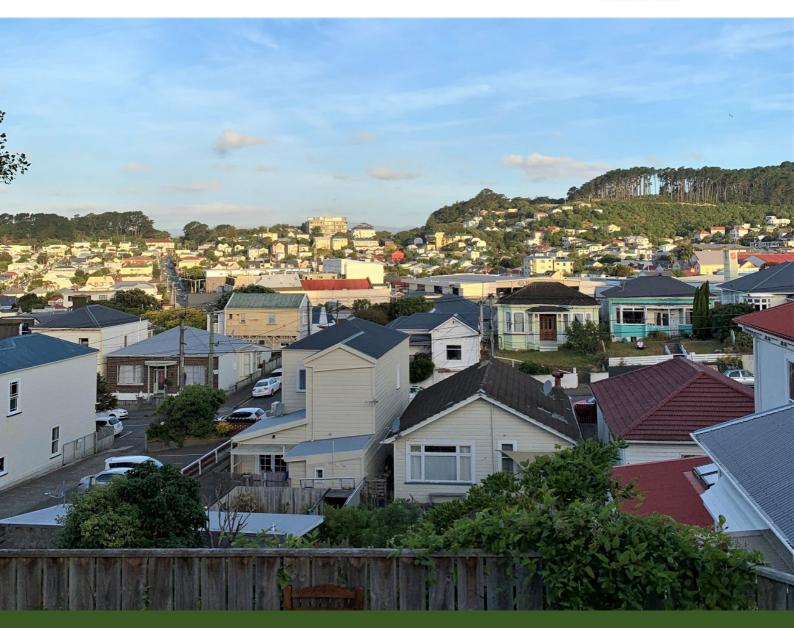
Absolutely Positively Wellington City Council Me Heke Ki Pöneke



# Earthquake-prone Building Owners' Survey

May 2021 - June 2022 Resilient Buildings Team, Wellington City Council

## Acknowledgment

The Earthquake-prone Building Owners' Survey has been made possible due to the valuable feedback given by the residents and ratepayers of Wellington City.

Thank you to the owners of Wellington's Earthquake-prone Buildings who responded to our survey and shared your views.

Cover image source: Maanvi Chawla

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## Abbreviations & Acronyms

EPB	Earthquake Prone Building
DSA	Detailed Seismic Assessment
ISA	Initial Seismic Assessment
WCC or the Council	Wellington City Council
CCC	Code Compliance Certificate

## **1. EXECUTIVE SUMMARY**

Wellington is a seismically active city and for over 15 years the Council has been identifying at-risk buildings in an effort to improve resilience. Following the Canterbury and Kaikoura earthquakes, a national framework for managing earthquake-prone buildings came into effect, under the Building Act 2017 Amendment.

The Council's Resilient Buildings team has a responsibility to identify, assess, notify, and advise on earthquake prone buildings (EPBs) within Wellington City. The role involves engaging with the owners of these buildings to enable the resolution of their EPB statuses; the Council also acts as a regulator to enforce the EPB provisions of the Building Act.

A total of 38 buildings within the Council's property portfolio have an EPB status, which constitutes 6% of all EPBs within Wellington City. These Council-owned EPBs have deadlines for seismic issues to be fixed within the next 3-15 years. These EPBs mostly consist of public buildings. Getting this work done contributes to making Wellington a vibrant, safer city for its citizens.

Since the EPB programme began, the Resilient Buildings team at the Council has assessed around 8,440 buildings within Wellington City and found more than 1,100 to be earthquake prone. Of those, approximately 520 have been remediated and removed from the list of at-risk buildings. This leaves around 600 EPBs that require seismic work completed by the year 2037.

These EPB owners have been served notices, with an expiry date by which the seismic issues must be remediated. The expiry date is usually 15 years from the date of issue, unless the EPB is a 'priority building' which means the deadline will be 7.5 years. Priority buildings have additional inherent risk associated with them such as unreinforced masonry on the front façade.

While some of the EPBs in this portfolio are already on the path of remediation and are expected to meet their expiry date, many EPBs await action from their owners.

Approximately 320 EPBs have an expiry date less than 4.5 years away, and about 280 EPBs have deadlines expiring after 2027. Given that seismic strengthening projects require engineering assessment, planning, and funding for physical works, there is concern regarding these EPBs being remediated in the required time – especially those that have less than five years to complete the seismic work.

To understand more about the logistics of property owners' progress regarding seismic work, the team sought progress updates via the Earthquake-prone Building Owner Survey during May 2021 - June 2022. There was a 50% return rate for the survey, with most building owners indicating that they'd engaged an engineer to plan and undertake seismic work.

Key survey findings are that the largest group of EPBs are 1-2 storey commercial buildings with ownership predominantly a single company structure. Most people have owned their buildings for 15+ years.

The majority of owners intend to strengthen their buildings and a high percentage have already engaged with engineers. Most of the owners who are strengthening buildings will target beyond the legal minimum. A high proportion of those who had strengthening costs available fell into the >\$1-million-dollar range, and there is confidence that they can fund the work.

The Council's practical incentive suggestions of potential fee discounts on resource consents, construction parking zones and corridor access requests all rated highly as useful future support offerings, as did a ratepayer financing scheme. The possibility of technical support services such as early quantity surveying and project management advice as well as high level engineering advice were also popular.

Survey respondents were constructive in their feedback and have indicated that they are motivated in taking proactive steps towards completing requisite seismic work on their buildings. The cost of this work and the complexities in managing seismic work projects, especially for body corporates, are areas where professional advice and support are welcome.

The survey results will inform the next Impact Analysis phase of work; this analysis will quantify, where possible, the impacts of the application of the earthquake-prone building legislation. Specifically, this phase will look at the requirements for building owners to meet the notice expiry deadlines and the effect of any non-compliance. The Resilient Buildings team will report back to the Council on the completion of this work, in early 2023.

#### Background

by 2037.

The threat of a significant earthquake in Wellington remains very real; to prepare, the city must plan for a high degree of losses in the event of a large earthquake.

The Earthquake-prone Building Framework, introduced in 2017, is the national system for managing earthquake-prone buildings (EPBs). It seeks to ensure the way buildings are managed for future earthquakes is consistent and strikes a balance between protecting people from harm, the costs of seismic work and the impact on New Zealand's built heritage.

Wellington City Council has been identifying at-risk buildings for over 15 years to date and has found more than 1,100 to be earthquake prone. Approximately 520 of these have completed seismic work, leaving around 600 EPBs that still need seismic work completed

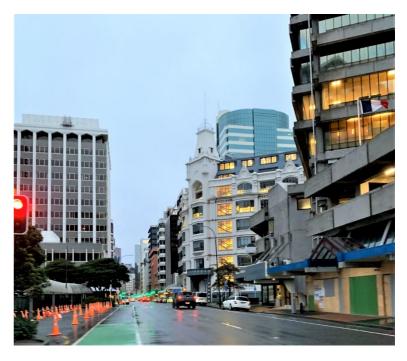


Figure 1. Street view of central Wellington City. Source: Maanvi Chawla

Some of these buildings are large and complex, like the Wellington Town Hall while many are smaller buildings like corner dairies, and fish and chip shops. Other buildings, like apartment blocks, have ownership structures that create complexity for collective decision-making.

The current regulatory framework has intensified a spike of seismic work that needs to be completed by 2027, when 216 buildings are required to complete work within that year alone. Under the framework, building owners aren't required to inform the Council of their intentions to undertake work before the EPB notice expiry date. This lack of evidence makes it difficult for the Council to

plan and mitigate the impact of the spike. Additionally, there are questions about the owners' ability and the capacity of the market to undertake this work.

The Council is concerned that some building owners may not have the knowledge, tools, or resources to undertake the seismic work required by the EPB notice and will be challenged by a looming deadline and no progress made. It can take years for building owners to raise funds and prepare, plan, and implement a seismic work programme.

The Council could face multiple building owners not meeting their EPB notice deadlines, resulting in retained seismic vulnerability and the potential need for enforcement action. The Council can enforce the EPB notice deadline as a last resort. Penalties include putting up a hoarding, closing buildings, and prosecuting owners, who could be liable for a fine of up to \$200,000. The Council may also seek orders from the courts to undertake the seismic work and recover the costs from the owner.

For an earthquake centred on Wellington, scientific modelling forecasts hundreds of people will be killed or injured by falling buildings. While most people living in Wellington City are aware of the inherent risk of earthquakes, the impact doesn't have to be catastrophic. The Council has a legal obligation to ensure owners complete seismic work and will endeavour to do everything possible to minimise the consequences of the inevitable earthquake.

## 2. INTRODUCTION

### 2.1. Intent and Brief of the Survey

More than half of the currently active EPBs have deadlines expiring within the next 5 years, which is a cause of concern for the Council. Remediation of EPBs within the required timeframe is the prime objective.

To understand more about the logistics of property owner progress to undertake this work, the team sought progress updates via the Earthquake-prone Building Owner Survey during May 2021 - June 2022. Understanding and addressing the issues surrounding owners' intentions towards progressing seismic work is important in guiding the process.

The EPB survey posed the following questions:

- The building ownership structure (body corporate, cross lease, company share, single person/company etc.)
- If the building is owner-occupied or leased/rented
- The owner's plans to demolish, strengthen, sell, or other (including no plan) and the likely timeframe
- If the building is to be strengthened, the % of the New Building Standard (NBS) targeted
- If an engineer is engaged and the point in the planning and consenting process to which the owner has progressed
- The estimated cost of seismic work and how work might be funded
- The level of confidence in the above
- The owner's knowledge of the funds and incentives available, and if these have been taken up
- Any other potential incentives or support which might remove barriers for owners completing the work.

To mitigate the risk of owners not meeting their EPB notice deadlines, it is necessary to understand what progress each building owner has made to date. It is also essential for the team to understand the potential improvements in the Council's (and Central Government's) current support from the building owners' perspective as part of an evidence base for targeting additional tools, resources, and support for building owners in the future.

The survey included 17 questions, most of them objective and some subjective. The full survey questionnaire is appended (refer Appendix A).

### 2.2. Survey Project Objectives

- The Resilient Buildings Team seeks understanding of owner's intentions and what the Council can do to support them, so that they resolve the EPB status of their building before the notice expires
- To understand the gaps in the Council's current support with the possibility of providing more targeted tools and evidence-based resources for building owners in the future
- To capture data to assist the team in determining an insightful, risk-based approach to tackle each EPB owner's challenges and mitigate the risk of building owners not meeting their deadlines

• Ensure the survey results synchronise the EPB programme with Planning for Growth, NZ Forward Works Viewer, and infrastructure planning.

#### 2.3. Communication Objectives

- To begin a proactive conversation with the owners of EPBs.
- To initiate goodwill by engaging with owners and offering ways that the Council can provide support.
- To generate awareness, all EPB owners should know the issues and risks if seismic work is not completed before the expiry date.
- To communicate and encourage EPB owners to contact the Resilient Buildings Team to discuss their challenges and project plans.

### 2.4. Timeline and Targets

The team endeavoured to reach the owners of ~600 buildings via letter, email, phone call, video call, and faceto-face meetings over two phases of work between May 2021 and June 2022. Just 50 percent (296 buildings) of owners took part in the survey, with the intentions of the balance of owners remaining unknown.

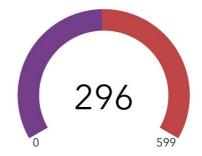
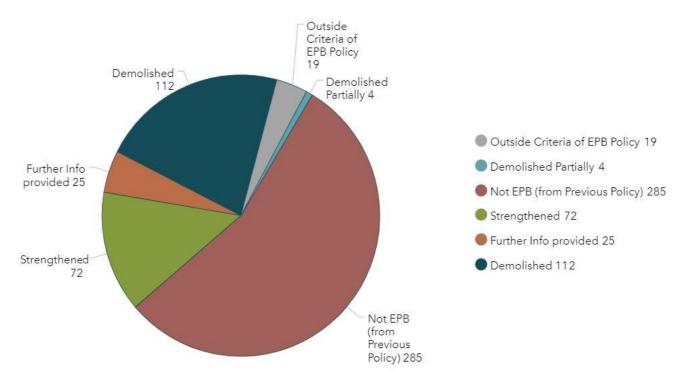


Figure 2. Surveyed EPBs of Total EPBs

# 2.5. Existing Building Information on EPBs in Wellington

The Council holds building information about the city's EPBs, including those buildings that are currently EPB and buildings that are no longer EPB (remediated). About 520 buildings, that were previously EPB, have been remediated either through seismic strengthening, partial or complete demolition, or through further investigation into the building's strength.



### Successfully Remediated Buildings (previously EPBs)

Figure 3. Successfully remediated buildings to date, that used to be EPBs.

14 percent (72 buildings) of the remediated buildings have been strengthened through seismic work, while 22 percent demolished (partially or completely) as seen in Figure 3.

Currently active EPBs have an information record at the Council that includes the location of the buildings, number of storeys, priority status, heritage status and EPB notice expiry date. Combined building information can provide valuable insights into the EPB stock in the overall programme.

#### **EPB Notice Expiry Dates**

There is a significant spike in notice-expiry in 2027, when 216 notices expire, which equates 36 percent of the current total number EPBs.

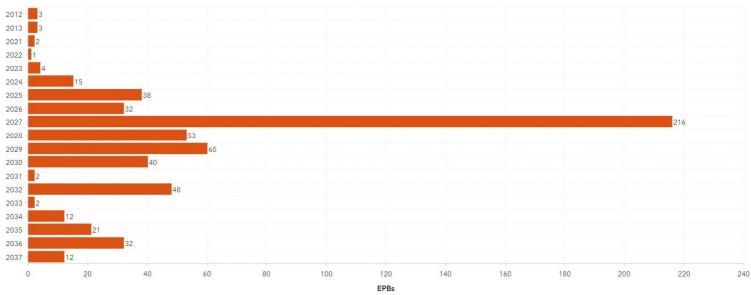
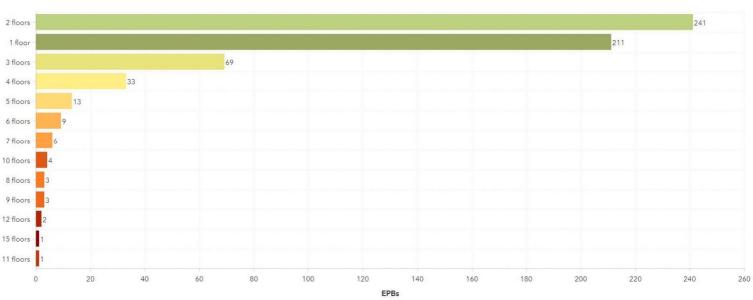


Figure 4. Total EPBs and their Expiry Year



#### **Number of Storeys**

Figure 5. Total EPBs and their Number of Floors

The graph in Figure 5 shows the number of floors for each EPB. 76 percent of EPBs are single or two-story buildings. Only 7 percent are five-stories or higher, highlighting that smaller, low-density buildings dominate the EPB stock in Wellington City.

#### **Priority Buildings**

An EPB is categorised as a 'priority building' if the respective EPB is considered higher risk because of its construction type, use or location and must be identified and then remediated in half the time allowed for other buildings in Wellington City i.e., in 7.5 years' time instead of 15 years.

Specifically, any identified EPB is a priority building that:

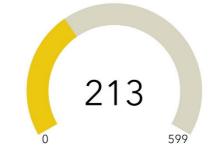
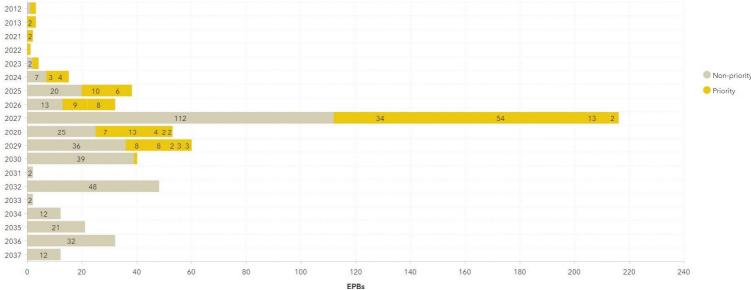
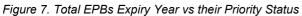


Figure 6. Priority EPBs in Total EPBs

- i. Either has a specific usage that can make it an emergency service or education centre. Such uses include some hospitals, civil defence buildings, schools, university buildings, early childhood education centres and private training establishments
- ii. Or could collapse in an earthquake and block an emergency transport route
- iii. Or has unreinforced masonry (URM) that could fall onto a high traffic route.

Currently, there are 213 priority buildings active, equating to 36 percent of the total EPBs. Nearly half the EPBs expiring in 2027 have priority status, see Figure 7.





#### **Designated Land/Building Use**

Land usage is the use of the building as designated through the Council's Rating Database. Figure 8 illustrates the current land usage for EPBs in Wellington City. 32 percent of EPBs are used for commercial purposes, with residential and multi-use being the next at 18 percent and 17 percent,

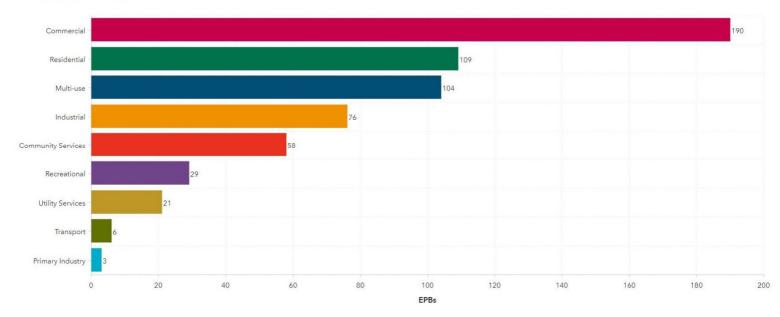
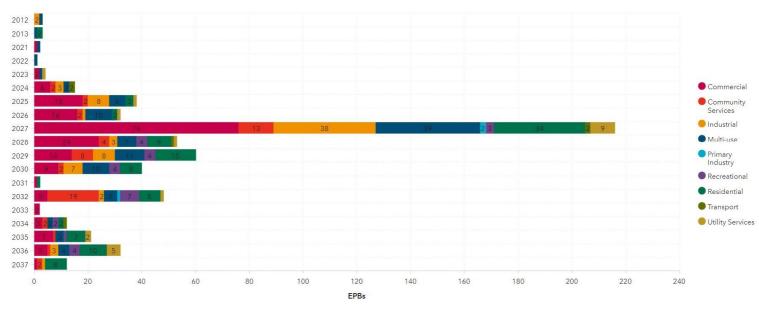


Figure 8. Total EPBs and their Land use respectively.

Land use combined with the EPB notice expiry year in Figure 9, shows the year 2027 has predominantly commercial use buildings, followed closely by multi-use and industrial use buildings.





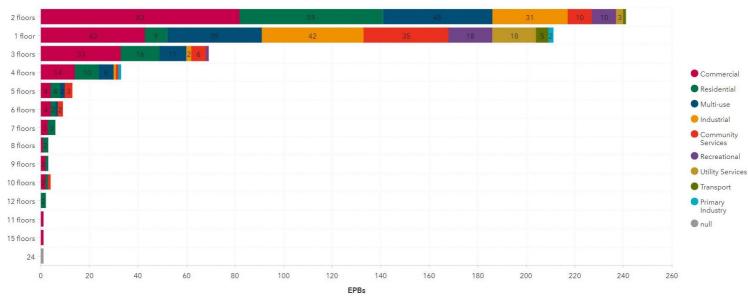


Figure 11. Total EPBs Expiry Year vs Land use vs the Number of Storeys

When building use and building height are combined, the largest group of EPBs are small commercial buildings as shown in Figure 10. These are commercial buildings with three stories or less. This group is 27 percent (158 buildings) of the total number of EPBs.

#### **Heritage Buildings**

Over the course of the last 15 years, the Council has assessed over 260 'heritage' buildings as EPBs. The term 'heritage' in this context encompasses EPBs that are either:

- Listed as heritage buildings by the Council on the District Plan; or
- Listed as Category I or Category II buildings by Heritage New Zealand; or
- Listed as contributing buildings within a defined Heritage Area by the Council on the District Plan.

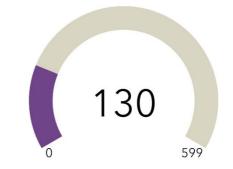


Figure 10. 'Heritage' EPBs in Total EPB

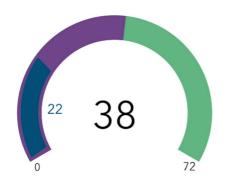


Figure 12. Funded heritage buildings (22) among strengthened heritage buildings (38) among total strengthened buildings to date.

Of all those heritage EPBs assessed so far, 50 percent (131 heritage buildings) have already been remediated and are no longer EPBs while the other half (130 heritage buildings) are currently EPBs.

As noted in Figure 3, a total of 72 remediated buildings that have been strengthened to date. 53 percent (38 buildings) of those strengthened have been heritage buildings.

Of the 38 strengthened heritage buildings, 22 were granted the Council funding through the Built Heritage Incentive Fund (now known as Heritage Resilience and Regeneration Fund) as shown in Figure 12. The 130 heritage buildings in the current 599 EPBs are identified to be heritage in three different lists and the listing statuses may overlap, as illustrated in the diagram Figure 13.

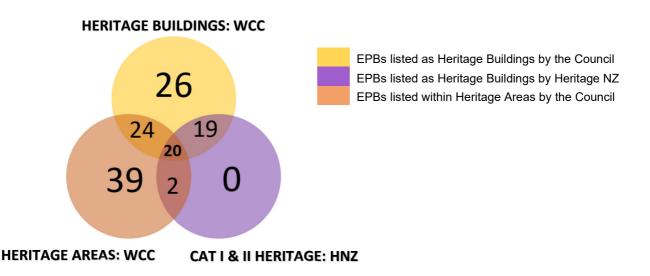


Figure 13. Venn diagram showing the distribution and overlap of different types of heritage buildings for all current EPBs

These 130 heritage EPBs constitute 22% of all the current EPBs, with 'commercial' being the most common building use. The majority (91 buildings) of the heritage EPBs having their deadlines expiring prior to or during the year 2027.

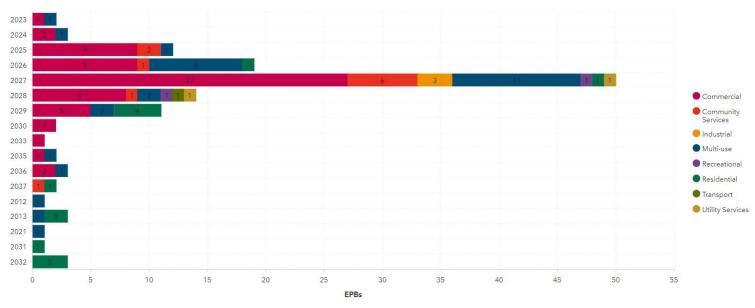


Figure 14. 130 Heritage EPBs vs Expiry year and Land usage (either on the Council's List, in the Council's Heritage Area or listed by Heritage New Zealand)

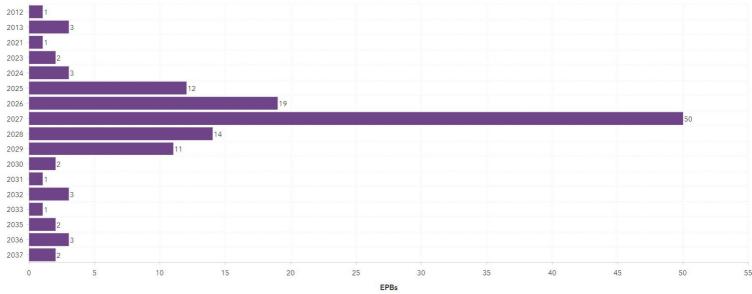


Figure 15. 130 Heritage EPBs vs Expiry year

#### 2.6. **Survey Questionnaire**

The survey questionnaire included seventeen questions designed to obtain the full picture of the building's ownership structure, occupancy, years of ownership and progress regarding engagement of professionals, such as structural engineers and quantity surveyors.

Specific questions were asked around known remediation costs and an ability to pay.

The latter half of the guestionnaire focussed on the seeking the extent of awareness and utilisation of various funding incentives that have been or are currently offered by the Council and the Central Government. The owners were also asked to rate the usefulness of any possible incentives that could be offered by the Council and/or Central Government in the future. These possible incentives were potential discounts on various fees that lead up to the seismic work required like the resource consent fee, corridor access fee or construction zone parking fee.

Lastly, to allow owners to share their views and ideas, a subjective question seeking a free text answer was asked at the end of the questionnaire. The free text answers received verbally and as written text highlighted owners' perspectives that were not necessarily covered fully in the questions.

For context, following are some of the key questions asked during the survey that attempted to acquire the context and facts about each EPB.

#### İ. How is the building owned or what is the ownership structure?

- Body Corporate
- Single Person/Couple
- Company Share
- Owner
- Single Company Owner
- Utility
- Community/Church Group
  - Other\_

- Cross Lease Multiple owners but no body-corporate structure
  - Leasehold land Government

#### İİ. How long (in years) have you owned the building (single/company owners)?

iii. How is the building occupied? Single Person/Couple
 Owner/Occupier

□ Single Company

Multi-unit all

*Owner/Occupier* 

Owner/Occupier

- Multi-unit mixed owner occupier/leased or rented
- Leased/Rented Long Term

Term

Leased/Rented Short

- Untenanted
- Community/Church group owner occupier

#### iv. What do you intend to do with your earthquake-prone building?

Strengthen	Sell Building	Other
Demolish	No Plan	

#### v. When (year) do you intend to carry out this plan?

#### vi. If you are strengthening, what is the building strength you will target?

34%	67-79%	Not Sure
35-66%	80-100%	

#### vii. Have you engaged an engineer?

#### viii. Which of the following actions have you completed or have occurred:

- a) Engineering Assessment?
- b) Engineering Assessment and concept design?
- c) Building Consent to strengthen?
- d) Building Consent to demolish?
- e) Resource Consent to strengthen
- f) Resource Consent to demolish?
- g) Lapse of Building Consent?
- h) Lapse of Resource Consent?
- i) Programme of works to undertake seismic work?
- j) Seismic work began onsite?
- k) Code Compliance Certificate (CCC) applied for?

# ix. Do you have information available from a Quantity Surveyor QS or a Tender? If so, how much is the strengthening estimated to cost?

0-300 000	1-1.5 million	10-20 million
300 001-700 000	1.5-3 million	20+ Million

□ 700 001 – 1 million □ 5-10 million

#### x. How do you intend to fund the work required?

- Equity
   Combination of both
   Other
- Borrowings/DebtFundraisingn/a

#### xi. How confident are you that you can fund the seismic work required? 1 - not confident, 4 - very confident:

#### xii. Are you aware of any of the following?

- a) Built Heritage Incentive Fund?
- b) Building Resilience Fund?
- c) Heritage EQUIP by Ministry of Culture & Heritage?
- d) Residential Earthquake-prone Financial Assistance Scheme offered thru Kainga Ora?
- e) WCC Rates Rebates for if your building is empty during strengthening?
- f) WCC Rates Rebates for if your building is no longer earthquake-prone?
- g) WCC Rates Rebates for 10% discount on building consent fees?

#### xiii. Have you applied for any of the following?

- a) Building Resilience Fund?
- b) Built Heritage Incentive Fund?
- c) Heritage EQUIP by Ministry of Culture & Heritage?
- d) Residential Earthquake-Prone Financial Assistance Scheme?

#### xiv. Rate the following on a scale of 1 - not useful to 4 - very useful:

- a) Early Project Management support advice about where to start and the process for deciding between demolition, strengthening or sale?
- b) High level advice about the nature and complexity of the engineering works required for the building to help select an appropriate engineer?
- c) Assistance in talking to the engineer regards potential structural issues in the building?
- d) Early Quantity Surveying advice high level advice around potential costs of different options?
- e) Facilitation/mediation of body corporate meetings support to decide a course of action?
- f) Pre and post work valuation access to valuers to help assess the outcomes?
- g) Discount on Resource Consent Fee?
- h) Discount on Corridor Access Request Fee?
- *i)* Discount on Construction Zone Parking Fee?
- *j)* Ratepayer Financing Scheme an alternate loan source to help owners who cannot finance strengthening?
- k) Access to a direct point of contact at Citizens Advice Bureau?
- I) Access to a direct point of contact at Tenancy Services (MBIE)?

#### xv. Are there any other ways that the Council could help you to resolve the earthquakeprone status of your building? (free text question)

The questionnaire was kept consistent during the entire course of the survey. The full survey questionnaire is appended (refer Appendix A).

## 3. SURVEY PHASE I & II

Wellington City has around 600 earthquake-prone buildings that have outstanding seismic work requiring completion by 2037. While this number frequently changes as EPB owners complete seismic work or other EPBs are added to the list, the number has remained ~600 over the year-long period of this engagement. The survey was conducted in two phases, between May 2021 to June 2022.

#### 3.1. Phase I – May 2021 – November 2021

#### i. Methodology and Execution:

Phase I began in May 2021 and ended in November 2021. Each Resilient Buildings team member's target was to survey 100 EPBs, with six team members conducting weekly surveys. The EPB owners were sent letters outlining the teams' intentions to contact them and requested they reply with their full contact details, by phone, email, website form or by sending a contact detail response form by post included in the letter. Once contact details were received, the team would make a telephone or video call and take the owner through survey questions to understand their context and needs while attempting to build better, closer relationships with the owners. Survey responses were captured using a Resilient Buildings App through Survey 123, developed especially for this project. Each response received was recorded separately and fed as a dataset into ArcGIS for further analysis and collation. If owners did not respond to the letters, the team would reach out directly via email or phone call with the contact details on file. This approach was pursued for seven months by the team.

#### ii. Targets Achieved:

Phase I of the survey covered the bulk of the respondents, with the owners of 246 EPBs answering the survey. This is about 40% of EPB of the ~600 buildings.

#### 3.2. Phase II – January 2022 – June 2022

#### i. Methodology and Execution:

Phase II focussed on reaching the remaining 60% of EPB owners who did not respond in the first Phase. The approach from Phase I continued with the team reaching out directly via email or phone call with the contact details on file. While Covid-19 remained in people's awareness, some owners were now more open to meeting in person, which supported the teams' intent to build stronger relationships with owners. A copy of the survey questionnaire with a return envelope was also sent to the owners.

#### ii. Targets Achieved:

Phase II resulted in 50 more responses received. Many of the 50 responses came in via the return post with hand-written surveys, which in many cases had additional descriptive comments from the owners. Phase II had a response rate of 14% as compared to 40% in Phase I.

#### 3.3. Overall Survey Response Rate

Just 50 percent of the owners responded to the survey, equating to 296 responses.

The EPB owners who responded and those who did not were marked on a map (see Figure 17) to inform any patterns that may have affected the survey response rate. As observed, the owners' responses were arbitrary

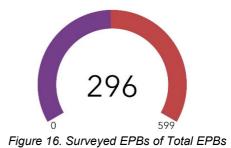
rate. As observed, the owners' responses were arbitrary regarding the location of the EPBs within Wellington City. While some neighbourhoods have a more

regarding the location of the EPBs within Wellington City. While some neighbourhoods have a more significant concentration of EPBs (e.g., Wellington CBD, Newtown), the survey response rate of 50 percent was a consequence of reasons other than location.

Surveyed EPBs
 Unsurveyed EPBs



Figure 17. Satellite Map of Wellington City reflecting the Surveyed and Unsurveyed EPBs. Source: ArcGIS ESRI



20

The EPB owners who responded and those who did not were graphed against the expiry date to help the team understand if the most engaged owners are those with approaching deadlines. Figure 18 below shows a concerning 63 percent of owners (136 buildings) whose notice expires in 2027 did not respond to the survey.

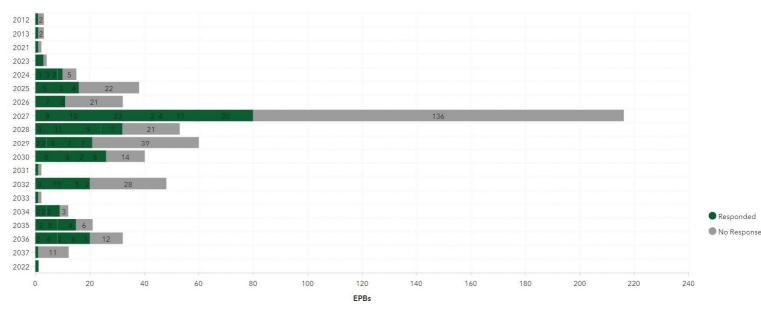


Figure 18. Survey Response Rate of EPBs vs their Expiry Year

The owners of 49 percent (64 buildings) of a total of 130 heritage EPBs responded to the survey. Again, similar to the response rate for all EPBs, a concerning 64 percent of heritage owners (32 buildings) whose notice expires in 2027 did not respond to the survey.

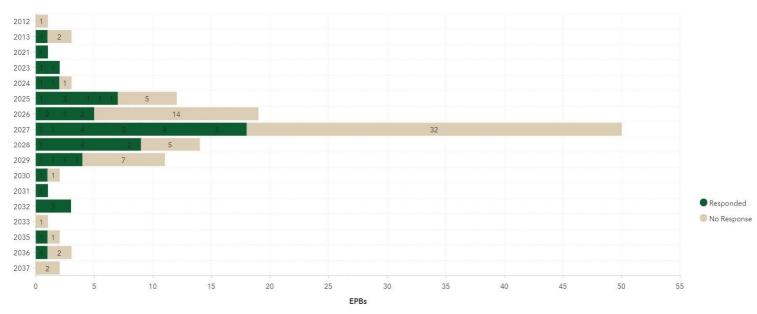


Figure 19. Survey response rate for the 130 EPBs that are 'heritage' (either on the Council's List, in the Council's Heritage Area or listed by Heritage New Zealand)

#### **One Building - Multiple Responses**

Some EPBs have several owners maintaining the building through a body-corporate or a similar ownership structure. In several cases, multiple owners wanted to respond to the survey for a single EPB. In these cases, the body-corporate chair's response was included the 296 total. Fourteen additional survey responses from other owners/co-owners were also obtained, and these extra responses were recorded separately. As expected, the other co-owners' answers were often similar to that of the body-corporate chair.

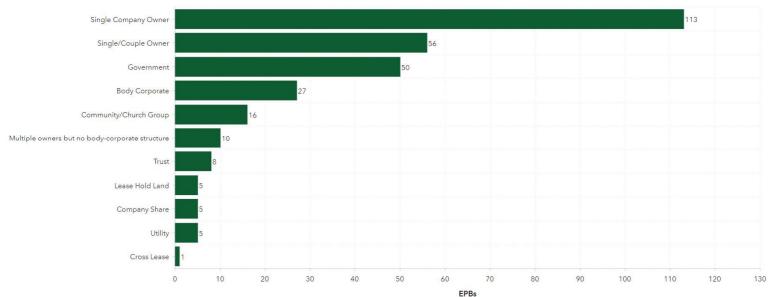
Additionally, the open-text comments provided at the end of the survey questionnaire had unique and subjective answers across all those surveyed, including these fourteen co-owner respondents. Individual comments from these co-owners and many others have been recorded and analysed in section *4.9.Owners' Perspectives* of this report.

## 4. SURVEY FINDINGS

#### 4.1. Ownership and Occupiers

The ownership of EPBs has been key to how and when the EPB status is resolved for a building. While the Council has information regarding who the owners are for each EPB, understanding if the types of ownership and occupiers impact the resolution and the swiftness of its execution is noteworthy.

More than half of the owners of the surveyed EPBs were single company or single/couple owners of their respective EPBs. In the entire current EPB stock, at least 28 percent has single company or single/couple ownership, and at least 16 percent is occupied with long-term leases. At least 9 percent of all the current EPBs (about 600 buildings) are untenanted and consequently, unoccupied.





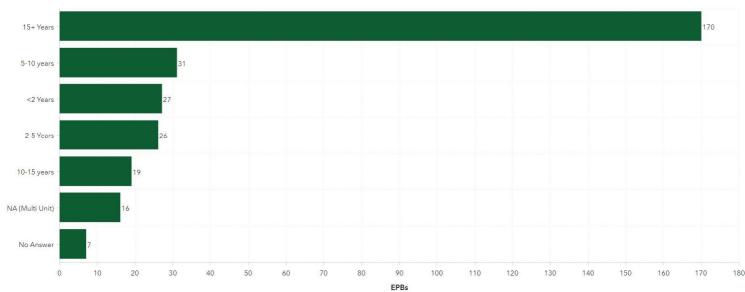


Figure 21. Length of Ownership Period of Surveyed EPBs

The length of ownership of the respective structure/owners is illustrated in Figure 21, showing that 57 percent (170 buildings) of owners have retained ownership of their EPB for 15 years or longer. The majority of the 15+ year-owners are single companies, single/couples, or Government entities.

The occupiers of the surveyed EPBs at the time of the survey are shown in Figure 22. 32 percent (94 buildings) have long-term lease agreements in place, and 16 percent (47 buildings) are singlecompany owner-occupied. 19 percent (55 buildings) were untenanted or not occupied at the time of the survey.

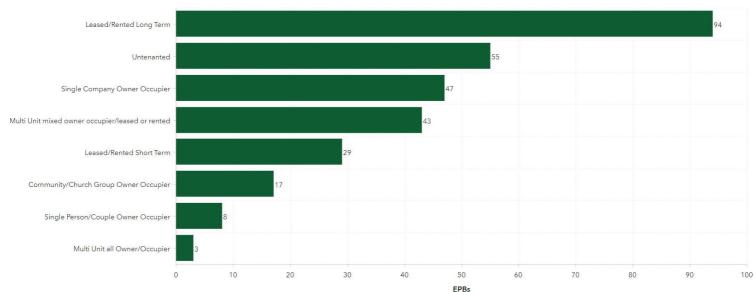


Figure 22. Occupiers of Surveyed EPBs

The pie-chart in Figure 23 explains the ownership structure of the 55 empty or unoccupied EPBs that were surveyed.

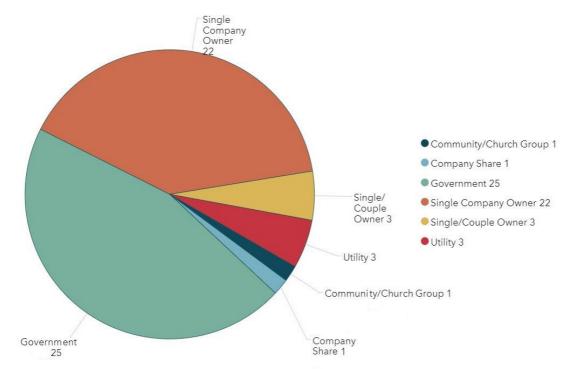


Figure 23. Ownership structures of untenanted buildings among the Surveyed EPBs

#### 4.2. Intent, Plans and Timeline for the EPB

When asked about their plans, 51 percent of respondents (151 buildings) indicated an intention to strengthen, and 19 percent (56 buildings) intended to demolish. Owners of 2 percent (6 buildings) plan to sell the building.

About 8 percent (23 buildings) of owners had no plans at all. While this is a low percentage, given the nature of survey respondents, the low rate is not surprising. The incidence of owners with no plans is potentially much higher amongst non-respondents.

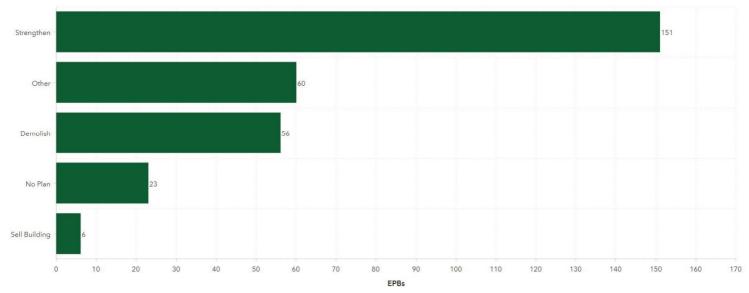


Figure 24. Intended Plan of Surveyed EPBs

Some respondents gave a description of their 'Other' intended plans, as shown in Figure 25. The majority of the responding owners that have 'Other' intended plans stand 'Undecided' about the resolution of their EPB.

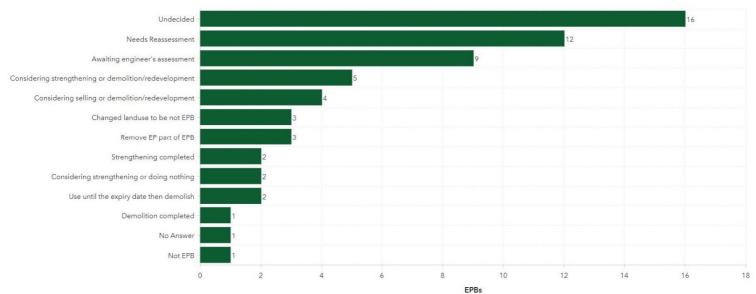
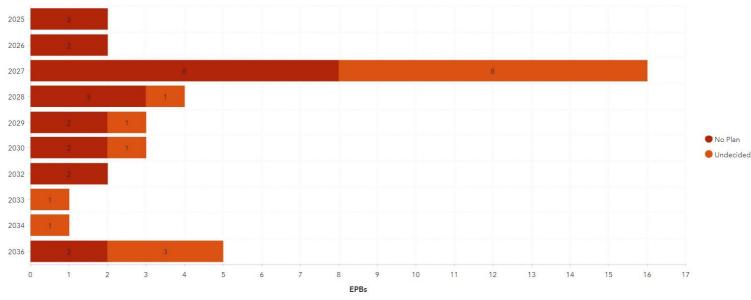


Figure 25. 'Other' Intended Plan of Surveyed EPBs



It is concerning that most of responding owners that have 'No Plan' for their EPB or that are 'Undecided' have an expiring deadline (for their EPBs) in three to five years from now.

Figure 26. Owners with 'No Plan' or 'Undecided' for Intended plan for their EPBs vs their Expiry Year

Respondents also shared the year they hope to execute their intended plan, with 2021 and 2022 being the most active years to complete their seismic projects. This indicates that owners of nearly 100 surveyed EPBs are quite active to resolve the status and may have already started or are ready to start seismic work immediately.

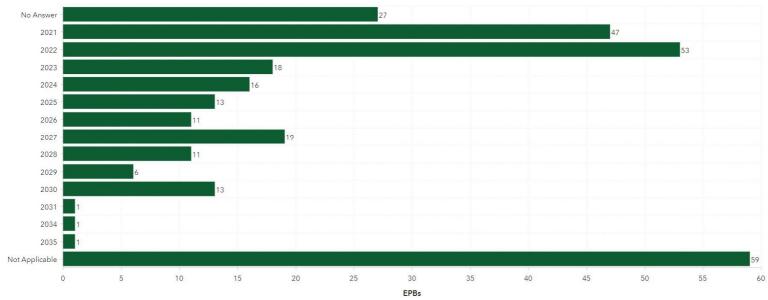


Figure 27. Year of Intended Plan of Surveyed EPBs

#### 4.3. Engineers and Engineering Assessments

Responses on whether an engineer has been engaged, if an engineering assessment is complete, if a concept design is complete with the engineering assessment, and the targeted % of the New Building Standard rating (%NBS) are shown in the pie graphs in Figure 28.

76 percent (225 buildings) of owners stated that they had already engaged an engineer to assist with the chosen course of action.

Where buildings are to be strengthened, most owners were aiming for a greater %NBS rating than the legal minimum of 34%NBS. In general, owners were aiming for 67% - 79% or, 80% - 100% in some cases.

This seems to reflect the market response following the Kaikoura Earthquake – an increased awareness of the %NBS rating and a reluctance of insurers to provide cover for older buildings has directed owners towards a higher %NBS rating.

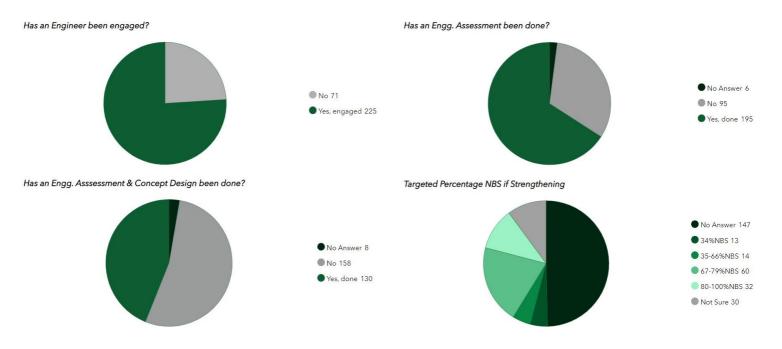


Figure 28. Owners' responses to individual questions regarding engineers and assessments

#### 4.4. Project Stages and Processes

Responses on whether a building or resource consent had been applied for seismic work are shown below in Figure 29. Additionally, owners answered whether their respective consents had lapsed.

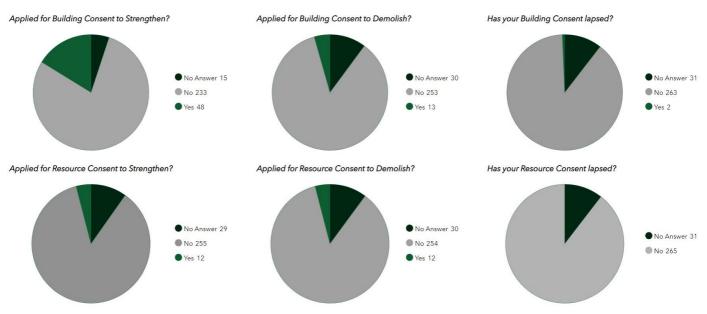


Figure 29. Owners' responses to individual questions regarding consent applications

Owners' responses on their progress with seismic work, including the completed work programme, whether work has begun on site or if the Code Compliance Certificate has been applied for the completed seismic work.

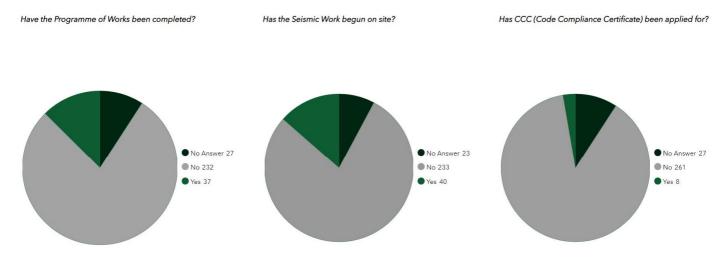


Figure 30. Owners' responses on individual questions about the progress of seismic works

#### 4.5. Funding

Owners of surveyed buildings shared information regarding the cost estimate from a Quantity Surveyor or a Tender for their seismic project. Respondents were generally unable to provide sound indications of likely costs due to being in the early planning stage. However, 27 percent (80 buildings) of owners estimate seismic work costs between \$300k and \$10 million per building as seen in Figure 31.

It is reassuring to see that a third (80 buildings) of responding owners understand the costs involved to resolve their EPB status via seismic strengthening.

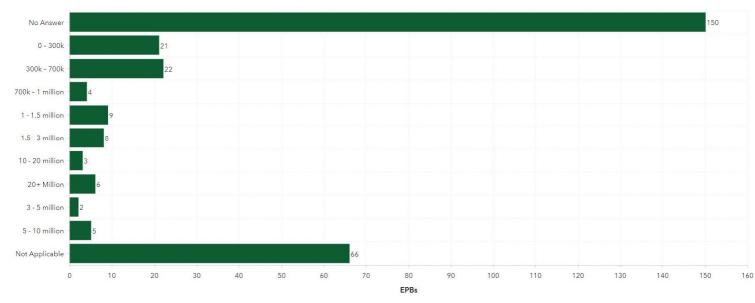


Figure 32. Cost Estimate for Seismic Work in NZD for Surveyed EPBs

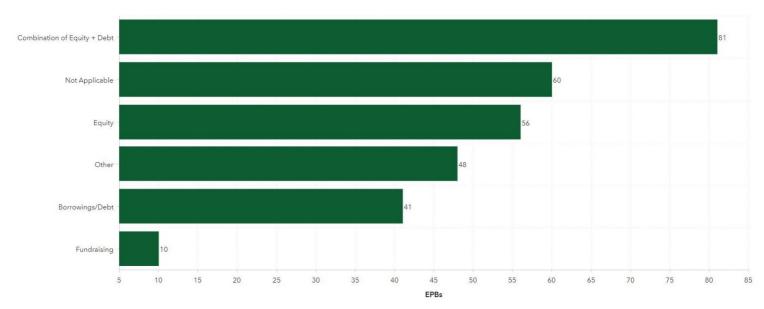


Figure 31. Source of Funding for Seismic Work of Surveyed EPBs

The owners also shared the source of funding for the seismic work for their EPBs. Most respondents will fund their seismic work through equity, borrowing or a combination of both. Three percent (10 buildings) of respondents noted fundraising as their funding source.

Owners' confidence in their ability to fund the seismic work was rated on a scale of 1 to 4, 1 being not confident and 4 being very confident. A pleasing 44% (129 buildings) of the responding owners are very confident in funding the seismic work. Amongst the entire EPB stock, at least a sixth of owners are very confident with funding the seismic work of their EPBs.

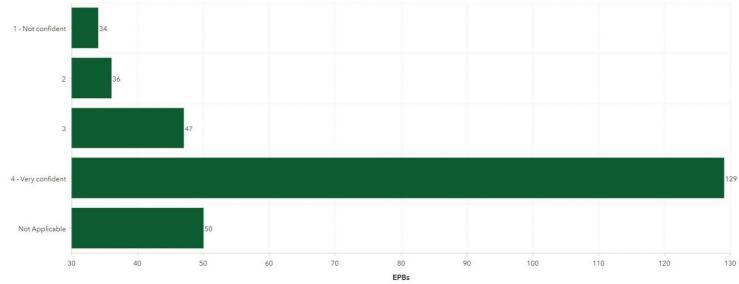


Figure 33. Funding Confidence of Owners of EPBs

As seen in Figure 34, at least 11 percent of the owners that have the intention of strengthening their EPB are not confident in their ability to fund the seismic work.

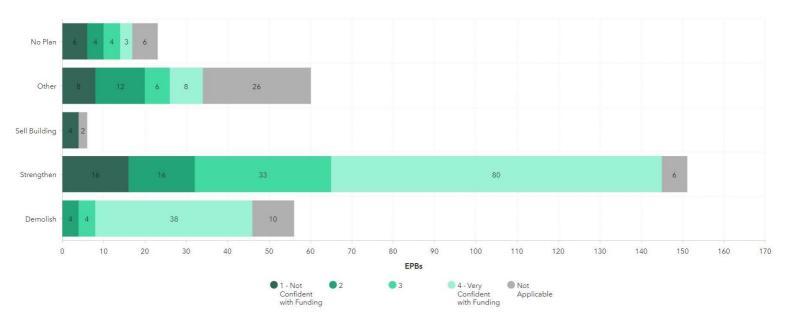


Figure 34. Cost estimates as shared by owners of Surveyed EPBs with their Intended Plan.

#### 4.6. Awareness of Incentives amongst Owners

Owners answered whether they knew about the following funding initiatives offered by:

- Wellington City Council (Building Resilience Fund and Built Heritage Incentive Fund)
- Kainga Ora (Residential Earthquake-prone Building Financial Assistance Scheme)
- Ministry of Culture & Heritage (Heritage EQUIP)

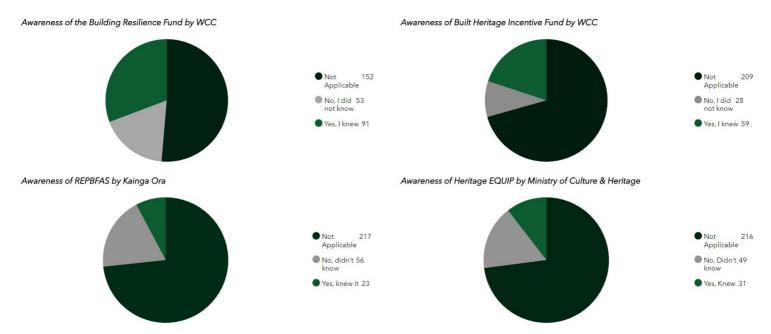


Figure 35. Owners' responses on individual questions about Awareness of Incentives provided

Owners also responded whether they knew about Wellington City Council rates rebates for their EPB in two situations (if the building is empty during strengthening and when the seismic work is complete). Owners responded whether they knew of the 10% rebate on building consent fees.

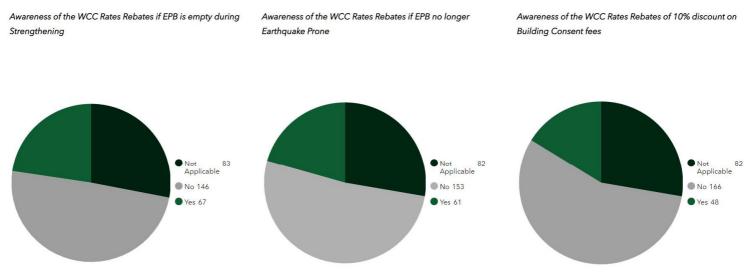


Figure 36.Owners' responses on individual questions about Awareness of WCC rebates offerings

Based on the responses, there is work to raise awareness of current offerings across the Central Government and the Council, especially the current rates and building consent rebates offered by the Council, given that:

- Only 48 owners were aware of the building consent fee rebate, and 166 were unaware)
- Rates rebate if a building is empty during strengthening work (67 aware and 146 unaware)
- Rates rebate when is building is no longer earthquake-prone (61 aware and 153 unaware)

A response was also sought on whether the owners had applied for any funding initiatives provided by the Wellington City Council, Kainga Ora or the Ministry of Culture & Heritage.



Figure 37. Owners' responses to individual questions about Applications for Govt. Funding

Yes, applied

#### 4.7. The Usefulness of Potential Future Support Offerings

No

0

Not Applicable

Owners were asked on a scale of 1 - 4 how useful (1 not useful and 4 being very useful) a range of potential future incentives and support would be.

0

Not Applicable

No

Discounts on resource consent fees were rated the most useful future support offering, with 59 percent of owners (176 buildings) scoring this offering at 3 or 4. Discounts on construction parking zones and a Rate Payer Financing Scheme were rated equally as the second most useful support offering, with 52 percent of owners (155 buildings) scoring this offering at 3 or 4. Discounts on Corridor Access Requests were rated as the third most useful, with 50 percent of owners (149 buildings) scoring a 3 or 4.

Technical support services are crucial to delivering seismic projects, including Quantity Surveying, Engineering and Project Management advice, and Pre and Post valuation work. Respondents rated Quantity Surveying as the most useful technical support offering, with 45 percent of owners (135 buildings) scoring this 3 or 4. This was closely followed by Project Management advice, with 39 percent of owners (115 buildings) achieving a 3 or 4. Engineering advice came in third, with 38 percent (112 buildings) scoring a 3 or 4. Pre and post-valuation support came in at 33 percent (99 buildings) scoring a 3 or 4.

Yes, applied

The appetite for assistance with a direct point of contact with Citizens Advice Bureau (10 percent and 31 buildings), Tenancy Services (8 percent and 24 buildings), and Body Corporate Facilitation (7 percent and 22 buildings) was low compared to the other possible options.

The responses provided across the 1 - 4 useful – not useful scale across the range of potential future incentives and support are all illustrated in Figures 38 - 49.

Owners were asked to rate the usefulness of potential Early Project Management support – advice about where to start and the process for deciding between demolition, strengthening or sale.

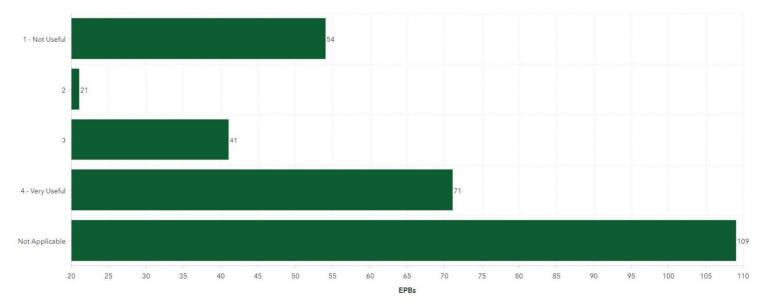


Figure 38. Owners of Surveyed EPBs Rating the provision of Early Project Management Advice

Owners were asked to rate the usefulness of potential High-Level Engineering Advice about the nature and complexity of the engineering works required for the building to help select an appropriate engineer.

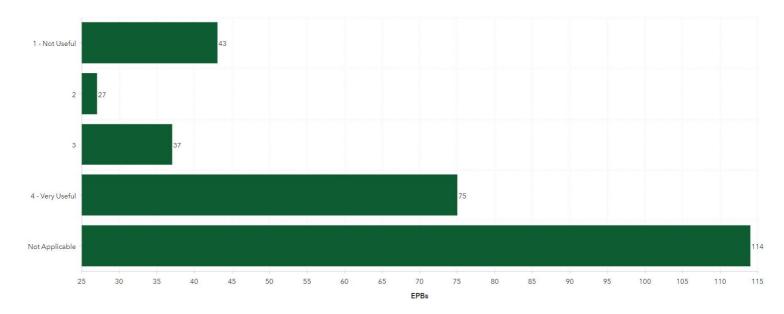
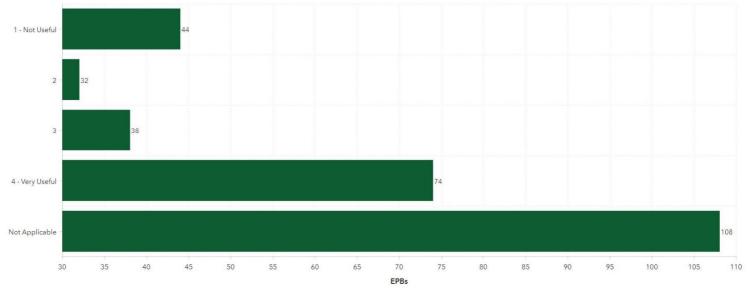
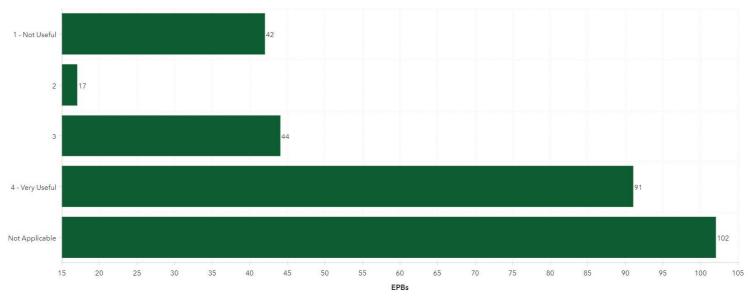


Figure 39. Owners of Surveyed EPBS Rating the provision of High-Level Engineering Advice to help select an Appropriate Engineer



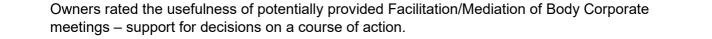
Owners were also asked to rate the usefulness of Assistance that could potentially be offered in talking to the engineer regarding potential structural issues in the building.

Figure 40. Owners of Surveyed EPBs Rating the provision of Assistance to Discuss the EPB with the engaged Engineer



Owners rated the usefulness of potential Early Quantity Surveying advice – high-level advice around potential costs of different options.

Figure 41. Owners of Surveyed EPBs Rating the provision of Early Quantity Surveying advice on different options



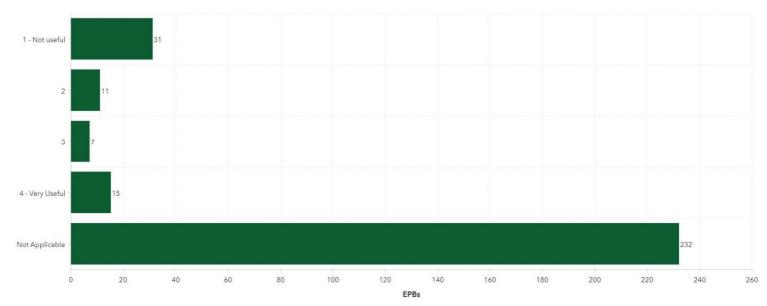
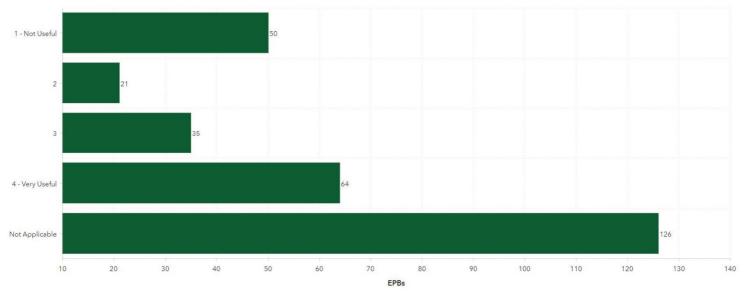
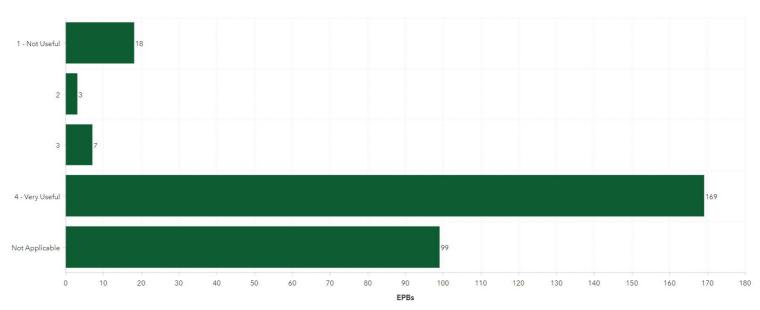


Figure 42. Owners of Surveyed EPBs Rating the provision of Facilitation/Mediation of Body Corporate Meetings



Owners rate the usefulness of being offered a Pre and Post Work Valuation – access to valuers to help assess the outcomes.

Figure 43. Owners of Surveyed EPBs Rating the provision of Pre and Post Work Valuers to Assess the Outcomes



#### Owners rated the usefulness of potential discounts on Resource Consent Fees.

Figure 44. Owners of Surveyed EPBs Rating the provision of Discount on Resource Consent Fee

Owners rated the usefulness of a potential discount on the Corridor Access Request Fee.

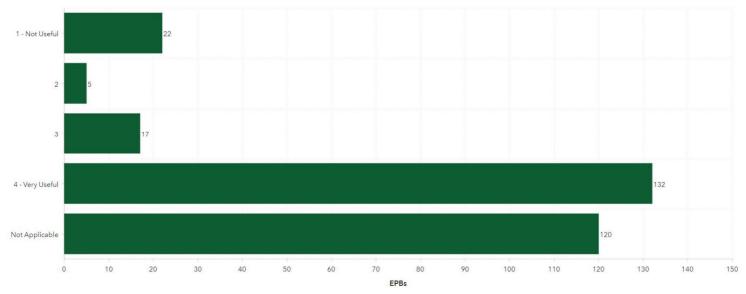
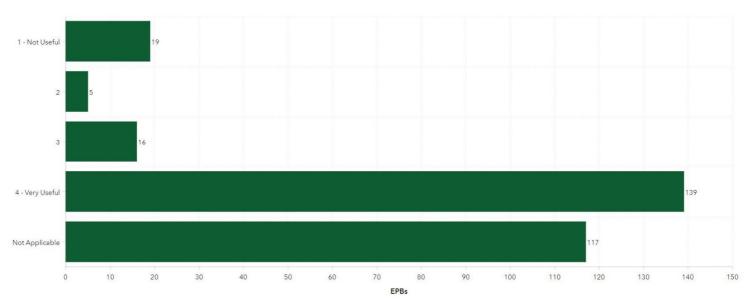


Figure 45. Owners of Surveyed EPBs Rating the provision of Discount on Corridor Access Request Fee

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### Owners rated the usefulness of potential discounts on Construction Zone Parking Fees.

Figure 46. Owners of Surveyed EPBs Rating the provision of Discount on Construction Zone Parking Fee

Owners rated the usefulness of a potential Ratepayer Financing Scheme – an alternate loan source to help owners struggling to finance seismic work.

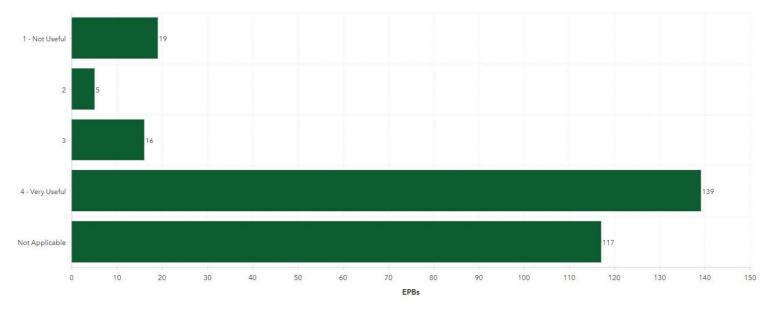


Figure 47. Owners of Surveyed EPBs Rating the provision of Ratepayer Financing Scheme

Owners rated the usefulness of having access to a direct point of contact at Citizens Advice Bureau – to support discussions/tensions between EPB owners with a shared structure between neighbours.

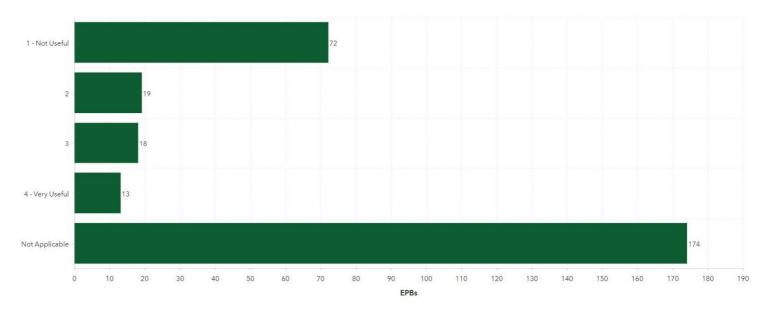


Figure 48. Owners of Surveyed EPBs Rating the provision of a Point of Contact at the Citizens Advice Bureau

Owners rate the usefulness of having access to a direct point of contact at Tenancy Services (through the Ministry of Business Innovation and Employment) – to support EPB owners with discussions with their residential tenants.

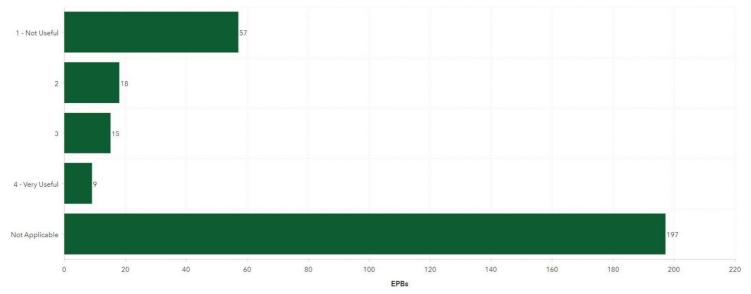


Figure 49. Owners of Surveyed EPBs Rating the provision of a Point of Contact at Tenancy Services (MBIE)

### 4.8. Risk Grouping of Surveyed EPBs

To better understand the risk profile of those buildings whose owners did respond to the survey, the team assessed the responses in terms of risk. The risk profile for each building is different and is based on a risk score rating developed by the team. The buildings' structural elements present various risks, the number of stories within a building and whether the building is a 'priority building'. Other risk factors include the building ownership and occupancy, the building owner's financial position and to what extent the building owner has made headway on their plan to address the seismic risk or if there is no plan. Other factors that impact the risk profile for the building include the heritage status, the length of time remaining before the EPB notice expires and whether the building owner is eligible for an extension.

These risk score rating groups include either:

- 0-33 (high risk)
- 34-67 (moderate risk) or
- 68-100 (low risk).

Of those owners that responded to the survey:

- 13 percent (40 buildings) are considered low risk;
- 67 percent (198 buildings) are medium risk; and
- 20 percent (58 buildings) are high risk.

When examined, the combined data provides valuable insights into the building stock in the EPB programme and could support future risk mitigation and planning decisions. The high, medium, and low risk EPBs and their corresponding data sets are shown in the graphs below based on the risk scores awarded. A risk score was not given to EPBs whose owners did not respond.

EPBs Risk vs Expiry Year is shown in Figure 50, with 16 high-risk buildings in the year 2027.

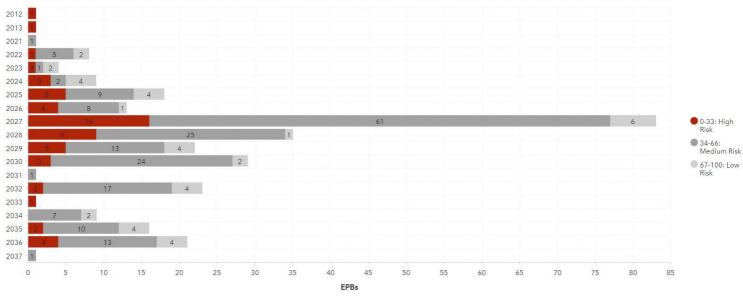
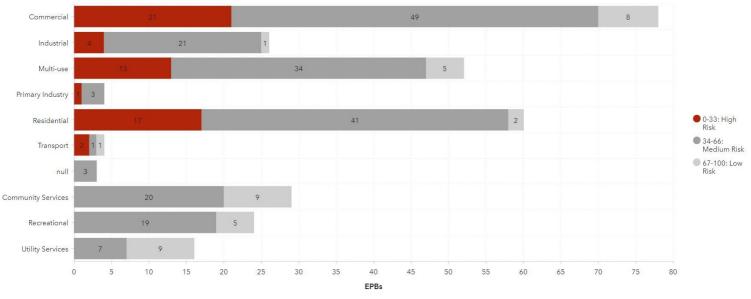


Figure 50. Surveyed Risk EPBs vs their Expiry Year

### Risk EPBs vs their land usage.





Risk EPBs vs the Survey question "How is the building owned or what is the ownership structure?"

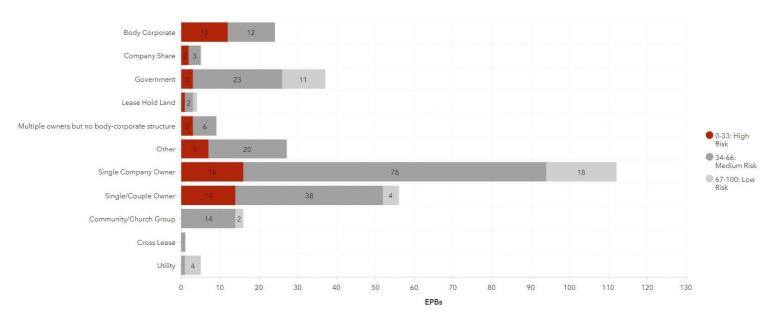
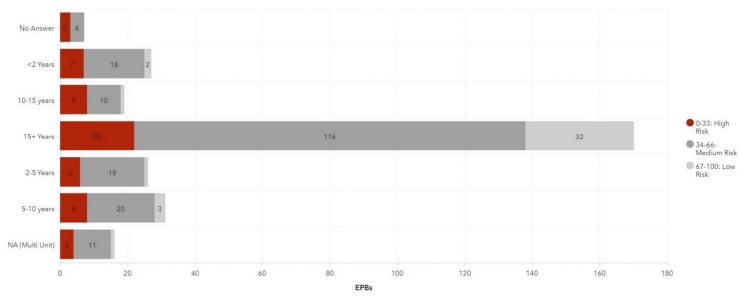


Figure 52. Surveyed Risk EPBs vs their Ownership Structure.



Risk EPBs vs the Survey question "How long have you owned the building?"

Figure 53. Surveyed Risk EPBs vs their Length of Ownership.

Risk EPBs vs the Survey question "How is the building occupied?"

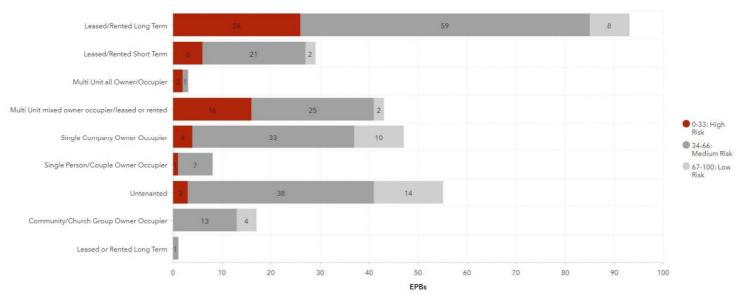


Figure 54. Surveyed Risk EPBs vs how are they occupied.

Risk EPBs vs the Survey question "What do you intend to do with your earthquake prone building?"

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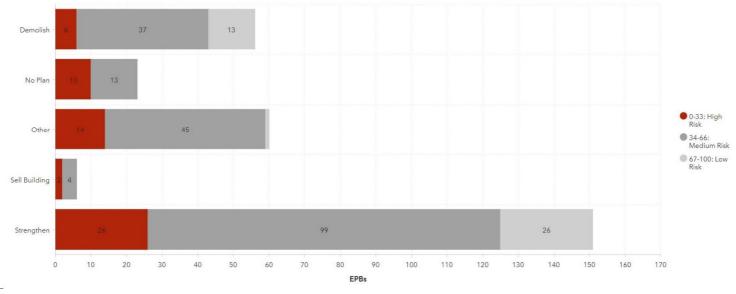


Figure 55. Surveyed Risk EPBs vs their Intended Plan.

Risk EPBs vs the Survey question "When do you intend to carry out this plan?"

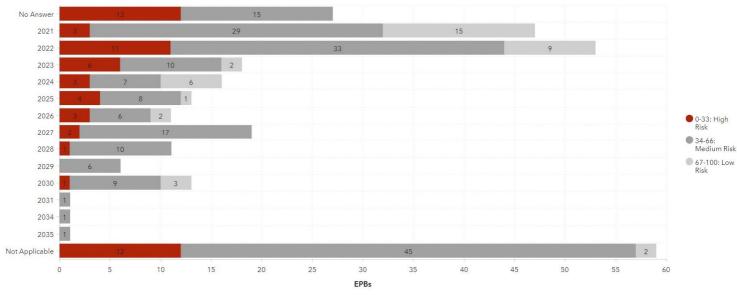


Figure 56. Surveyed Risk EPBs vs Year of Executing Intended Plan

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Risk EPBs vs the Survey question "Do you have information available from a Quantity Surveyor or a tender? If so, how much is the strengthening estimated to cost?"

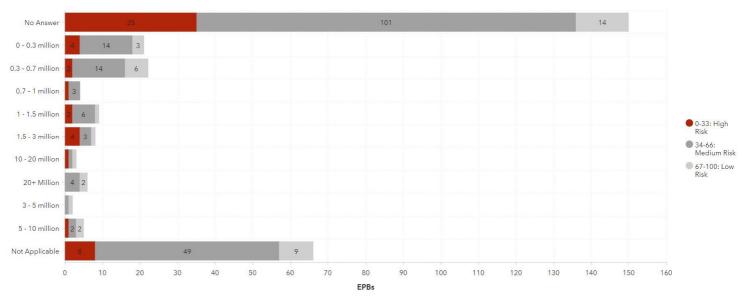


Figure 57. Surveyed Risk EPBs vs their Estimated Cost of Strengthening

Risk EPBs vs the Survey question "How do you intend to fund the work required?"

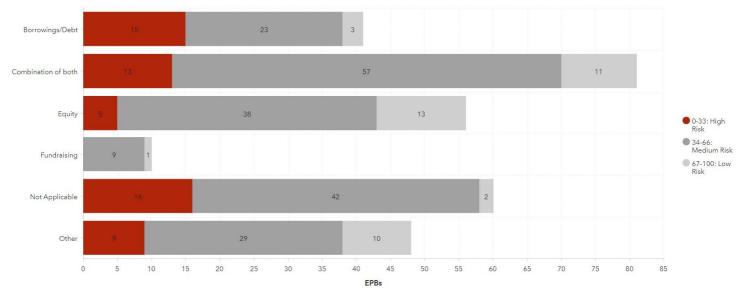


Figure 58. Surveyed Risk EPBs vs their Source of Funding

Risk EPBs vs the Survey question "If you are strengthening, what is the building strength you will target?"

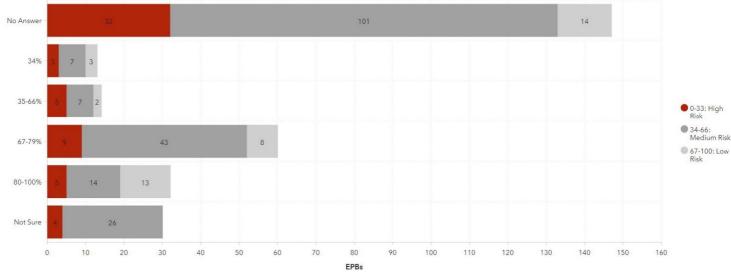


Figure 59. Surveyed Risk EPBs vs Targeted %NBS Rating

### 4.9. Owners' Perspectives

When asked, 'Are there any other ways that the Council could help you resolve the earthquakeprone status of your building?', over 170 individual owners provided comments about specific concerns or ideas that weren't covered by the survey questions.

These comments were reviewed and then grouped by central themes. Below is a selection of some of the comments from the owners covering the main theme, which included:

- Rising Construction Market Inflation/Shortage
- Absence/Delay of Funding
- Inconsistent/Confusing Legislation
- Body Corporate Consensus Issues
- Changing Land-use/Rezoning
- Lengthy Paperwork/Project Management Issues
- Insufficient Awareness of Offerings

Comment Theme/Message	Comment	Expiry Year	Risk Group
Rising Construction Market Inflation/Shortage	"Fund it and ensure the prices don't keep escalating. Because it is compulsory, the industry has now made prices too high for small building owners. It would be helpful if the Council had a list of operators who worked on a fixed price, had a	2027	High

		1	1
	set of plans that could be used for all		
	small buildings and then offered		
	funding. As the prices escalate, the		
	chances of me doing the work		
	reduce, and demolition becomes a		
	more likely option."		
	"New Detailed Seismic Assessment		
	has been ordered, but engineers are	2036	Medium
	busy atm."		
	"Consultants, prices, sourcing		
	materials getting difficult, growing		
	issue with low skill steel fabricators.		
	Generational issue, unprecedented,	2024	Medium
	will affect all owners. Have to play		
	nice to get contractors on board, or		
	they'll decline work/increase prices."		
	"A new Detailed Seismic		
	Assessment was ordered in	0000	1
	November 2021, but progress is slow	2036	Low
	due to engineers' availability and		
	time frames."		
	"Encourage/incentivise qualified		
	engineers to relocate to the		
	Wellington region. We are awaiting	2036	High
	the required engineer to be available		
	to begin designing."		
	"We are two years into throwing		
	money at engineers + architects,		
	meetings with historic places etc. To		
	date, no designs have been	2027	High
	approved + prices have escalated.		-
	All information will be available from		
	BC Chair."		
	"We have done repairs to keep the		
	building stable and want to finish		
	strengthening by 2024, but the		
	engineers haven't been available.	2026	High
	The architect been available.		
	us the engineer."		
	"Biggest concerns are finances,		
	contractor availability within	2027	High
	timeframes, and the fact it takes so		Ŭ
	long for contractors to do anything."		
	"Has taken over a year to get	2029	High
	engineer to this point."		
Rising Construction	"The main hold up for us recently has	2027	High
Market Inflation/Shortage	been Heritage NZ holding us to	2021	' iigi i
		•	•

& Absence/Delay of	ransom on consent and requiring		
Funding	changes to the plan to the tune of		
	to agree to it. Meanwhile, time		
	passes, and costs go up. We've		
	been in EQ strengthening hell for a		
	decade, pouring money in every year		
	with no real progress. Anything the		
	Council can do to speed it up would		
	help. Tell HNZ to sit down, help fund		
	it, progress our plans more quickly,		
	and make no more rule changes.		
	Have been fundraising for ten years,		
	and the holdups and the inflation will		
	need them to borrow money now."		
	"The money side of things is the		
	biggest issue, especially with work		
	being forced on people. There's		
	money available for people in dire	0007	
	straits, but not for "middle New	2027	Medium
	Zealand". Funding scheme similar to		
	leaky buildings should be instated by		
	central Government."		
	"Funding is the biggest issue."	2027	Medium
	'Adaptive reuse of the heritage		
	building depends on funding	2025	
	approval from Cabinet, else its		Medium
	demolition.'		
	"The provided funding is minor in the		
	scheme of things."	2027	Medium
Absence/Delay of Funding	"I thought the 10% rebate on consent		
	fees was pretty minimal and not	2027	Medium
	particularly helpful."		
	"Recent purchase – 2 months. Mix of		
	tenancies – likely mostly short term.		
	Details Seismic Assessment started.		
	Strengthening funding will be		
	borrowing for now and hopefully will		
	be part equity once work begins. 7		
	units/owner, 6 agreed on a sale, and	2030	Medium
	facilitation of meetings may have		
	been useful. Assistance available to		
	commercial owners just during		
	strengthening phases would be		
	helpful."		
	"All info with body corp. The huge		
Body Corporate	problem is the inability to achieve	2033	High
Consensus Issues	consensus between 3 x body corps		

in the come building to present with		
in the same building to progress with		
a plan to move forward."		
"Two years ago, strengthening		
design was done to understand the	2032	High
cost, which was ~30K each owner,	2002	i ngin
but not proceeded with the work."		
"To know what financial support is		
available if everyone in the building	2036	High
agrees to get the building repaired."		_
"Body Corp did the DSA in 2014-		
2016 and did the concept		
strengthening design and QS		
estimation in 2016. The cost came		
out to be 3 million plus, and the cost		
-		
implications cause dormancy in work	2027	Medium
progress with some owners selling		
off. The new BC chair is looking to		
get the DSA and design done, have		
engaged an engineer and looking to		
engage an architect to consult		
around compliance issues."		
"We have done two engineering		
strengthening schemes; both paid by		
WCC seismic heritage fund. The		
fund scheme was not approved as it		
was considered too invasive. The		
2nd scheme didn't fly with the owner		
as it was too expensive. Our BC has	2027	High
one very difficult member. I think the		
consensus is to wait till to close of		
2027 when supply issues ease and		
building costs come down. Some will		
Ū.		
only do it when forced by WCC. We		
are keen to do the work asap"		
"Stymied by the lack of funding		
available until there are some quotes		
available from the construction		
companies. Renters mainly at the		
moment. Hope that all building		
owners won't have to vacate but will		
investigate the option of rates	2035	Medium
rebates for those who need to		
vacate. People have queried the		
REBFAS but have been halted as no		
costings as yet. Advise on what kind		
of architect to engage would have		
been helpful. Early valuation advice		
been neipiui. Eany valuation auvice		

	wasn't helpful in this case as all parties were keen to strengthen. Facilitation of conversation with other building owners regarding access requirements during works. Low standard of renters given the EPB status and finding problems with standard of apartments. Not treating the space well. Access to someone to talk to regarding their mental health as people are finding it so difficult with the process."		
Body Corporate Consensus issues & Lengthy Paperwork/Project Management Issues	"Body Corporate/people issues are the biggest complexity. Rear building owners are going to be forced to pay for the front building as it's one body corporate with one insurance cover. Potential high court issues in the future. I don't want to be penalised for being proactive – any future incentives should be retroactive. The biggest help would be project management. A team at the Council should be set up to project manage and guide building owners through the process of strengthening. Send through info on the rates & consent fee rebates."	2027	Medium
Body Corporate Consensus issues & Absence/Delay of Funding & Inconsistent/Confusing Legislation	"Our building was EQ strengthened in 1999; then you changed the rules. The building has been standing for over 100 years and has never had any damage. Let the building stand as is or give us the funds to strengthen it to your new standards. Very few of the owners can afford to do this work-as we are retired or on fixed incomes. We could be unable to ever go back to our home. This is the real damage here"	2023	High
Inconsistent/Confusing Legislation	"Generally finding issues with yellow book confusion given that it's not a EPB requirement, but the market expects it to be used for earthquake rating assessments-capacity in the design and construction industry, especially with structural peer	2027	Medium

	rovious given the complexity of		
	reviews given the complexity of some of the projects people need to carry out. Insurance resolution is taking time, delaying the ability to start works"		
Inconsistent/Confusing Legislation & Absence/Delay of Funding & Lengthy Paperwork/Project Management Issues	"The Council heritage requirements and additional peer reviews + new post-Kaikoura requirements have been the source of delays. What would be useful is for the Council to take the lead in brokering solutions between the various parts of the Council. It would also be helpful to have financial support from the additional reviews the council requests (e.g. peer reviews, additional heritage reports, public notification process) We have been trying for years to strengthen and I want to live in a safe building but everything we are saving is being spend on more expert reviews."	2027	High
	"Project Management would be immensely helpful, the most helpful incentive by far."	2025	Medium
	"Timing can be an issue - making sure building consent doesn't take forever. Tenants want to stay but will need to vacate for the strengthening period. Need to make sure inspections can happen in a timely fashion."	2036	High
Lengthy Paperwork/Project	"Having one point of contact during the facade strengthening was useful. Therefore, this should continue."	2027	Medium
Management Issues	"Yes, have a more efficient way of handling the consent process when the WCC are engaging other parties i.e., geotech engineer, who held up the consent by weeks. Have a direct WCC consenting contact provided so updates and advice can be sort via a phone call or email rather than all through 'Simpli' site."	2027	Medium
	"Engineers should have a meeting with builders prior to work starts to make sure they understand what's	2030	Low

architects and engineers, to deal with	2035	High
"We have experts, heritage	2025	Lligh
part. Having direct access to a contact in WCC is great."		
subdivision is the most confusing		
residential, or demolition and	2027	Medium
decisions regarding options for; strengthening only/change-of-use to		
"Getting the costings to allow making		
helpful."		
through this process would be really		
business owners. Some guidance	2027	Medium
designed for professionals and is hard/confusing to work through for		
"Building consent process is		
which is very stressful."		
months still hasn't been assessed		
amendment, and it has taken 4	2026	High
processing times. I lodged an		
process" "We need much faster consent		
"Help with navigating the heritage	2029	Low
is working good."		
unnecessary delays. Simpli system		
would be beneficial and prevent		
consolidated work of these units	2024	Low
Consent units and a more		
"There seems a disconnect between Resource Consent and Building		
overall project."		
architect to come in and manage the		
another professional such as an		
Owners are often reluctant to pay for		
hole should be seriously considered.		
Educating engineers or providing some other entity/expert to fill that	2027	Medium
engineers are not very good at that.		
project management and most		
advice, including compliance and		
structural engineers for all their		
"Many owners are relying on		
"A central contact person in WCC"	2028	Medium
person allocated who helps guide the consent from start to finish."		
The Council should provide a single		
inspectors were good to work with.		
required. Found that building		

			,
	the work but early check-ins from WCC when we are applying for BCs to get to know what our options are will be helpful, just to make sure all our bases are covered with regards to funding etc."		
	"Would like one contact for Building Consents"	2024	Low
	"The never ending RFI system between the council engineer and owner's engineer was costly and tedious with owners unable to understand what and how to solve. A mediation in that respect at the Council's expense would have been very useful to sort the things out through discussion. Absence of guidelines and procedures on heritage buildings means we (owners) do not know from the start what to expect from the design to satisfy building consent requirements and heritage requirements. Owners were never made aware of Archaeological assessment requirement Owner's feedback in their own words from their email as follows: 'We're currently in the building phase, and not to be rude, but the single greatest obstacle to getting here was the WCC. Every single stage of this was made more difficult and crazily more expensive. We're a small building and everyone knows the Council is hopeless, but we weren't prepared for this level of sublime incompetence.'	2026	Medium
Lengthy Paperwork/Project Management Issues & Rising Construction Market Inflation/Shortage	"A relatively small project not getting to the head of the queue with over committed engineers and contractors. Supply line issues (due to covid) creating shortages of raw materials and unbudgeted costs associated with this. Trying to find common ground between the Unit Titles Act, MBIE Regs, WCC requirements, Heritage etc - a	2027	Medium

Insufficient Awareness of Offerings	option; however, we would look to you to provide information and links to apply. That would be very helpful	2027	Medium
	"The site is currently getting a lot of interest from Government departments to rezone and use the land for housing. It is obviously contentious due to lwi rights, etc. Any decision is a long way off yet, but that is what is being discussed by LINZ at the moment. Incentives were not discussed as any plans are a long way off, and the decisions are not to be made by themselves."	2032	Medium
Changing Land- use/Rezoning	"Getting the costings to allow making decisions regarding options for; strengthening only/change-of-use to residential, or demolition and subdivision is the most confusing part. Having direct access to a contact in WCC is great."	2027	Medium
	"Owner have engaged engineers. Wanting to have a change of use. Would contact again for the Pre app meeting to get some answers around redevelopment and change of use."	2025	High
	"We applied to rezone. We wish that regional the Council could consider our suggestion to rezone our site and allowed us to build new quality houses on the section."	2029	High
	general disconnect between these and the prohibitive costs of finding a path through these. Lack of meaningful subsidies incl. the ability to treat required works as repairs and maintenance from a tax perspective. Different break mechanisms and time frames across the various units to obtain vacant possession. Different drivers for different owners of the various units require different outcomes. Cost and lack of support available."		

and of course any financial sidir		1
and, of course, any financial aid is thankfully accepted."		
"Send info on BRF, rates rebates & building consent subsidy."	2027	Medium
"A booklet like the MBIE Parapet scheme booklet would be useful to help with terminology etc."	2028	Medium
"Find original letters re: Pot EPB; how was the building determined EPB? First letter never received. Send through info on funding and incentive options, including BHIF. Chat to heritage team about 18 months on BHIF - can this be extended to 24 months? - Heritage EQUIP fund? Look into this and provide info. Do we have a later report than the 2012 IEP?"	2026	Medium
"Owner wants to be contacted predominantly with the MAIL instead of email. knowing a the Council point of contact would be useful. Sending the information about the current and possible incentives by mail is requested."	2028	Medium
"Owner is happy to talk to someone at the Council for the first time regarding their building EPB status and feeling positive that some incentives from WCC might prove beneficial if they can be applied for to assist them in the strengthening works. They understand so far, the building is requiring removal of chimney and that they need to seek engineering advise further. They plan to carryout chimney removal soon together when the scaffolding for exterior paintwork is being done. They would like to know more about the current incentives."	2027	Medium
"The BRF was communicated as only available for strengthening work and should have been for assessments."	2027	Medium
"Keep funding BRF. Clarity of process could be better - literature?"	2027	Medium

"Send info on BRF, rates rebates & building consent subsidy."	2027	Medium	
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Figure 60. Table identifying themes from the comments submitted by Owners of Surveyed EPBs

### 5. NON-RESPONSIVE EARTHQUAKE-PRONE BUILDINGS

Approximately 50 percent (~300 buildings) of owners did not respond to the survey, and as a result, the team has very little evidence about the intentions of these owners.

This response was disappointing but understandable, given the nature of the subject. There was also a Covid-19 lockdown imposed, followed by the Omicron variant entry into the country during the engagement.

With the absence of ~300 building owner responses, a risk score for non-responsive EPBs could not be attributed, limiting the teams' ability to identify problem areas at a more wholesome level of understanding for the whole programme.

While the intentions of these owners are unknown, the Council holds some building information about the non-responsive EPBs, which, when combined, can provide some understanding and insights.

#### Non-responsive EPB Notice Expiry Dates

The non-responsive EPBs are graphed below against their EPB notice expiry date, which shows a concerning 63 percent of owners (136 buildings) whose notice expires in 2027 did not respond to the survey.

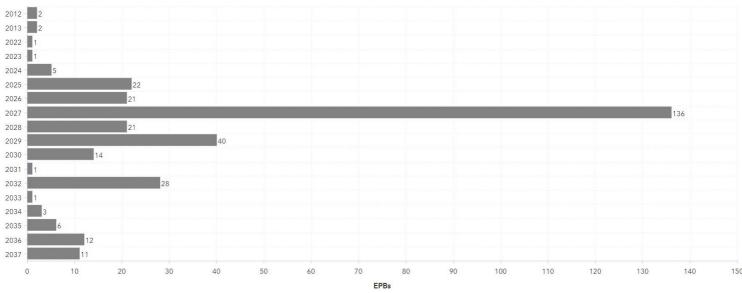


Figure 61. Non-responsive EPBs and their Expiry Year

#### Non-responsive EPBs - Number of Storeys

Of the non-responsive EPBs, 79 percent are single or two-story buildings. Only 6 percent are five stories or higher, again, highlighting that, smaller buildings dominate the EPB stock in Wellington City and feature strongly in the non-responsive group of EPBs.

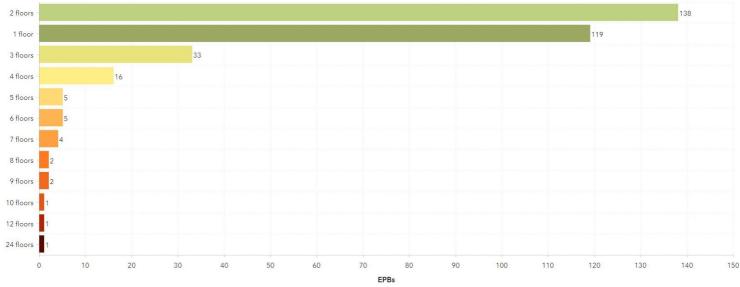
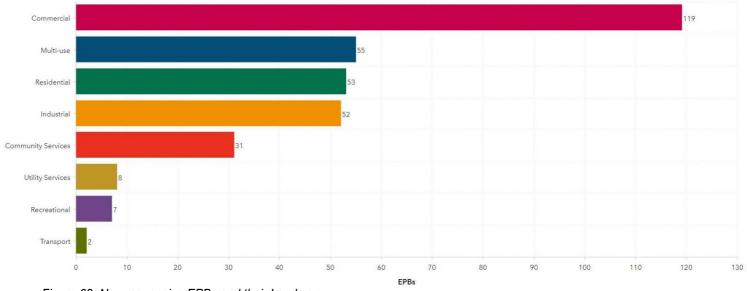
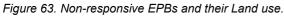


Figure 62. Non-responsive EPBs and their Number of Storeys

### Non-responsive EPBs - Designated Land/Building Use

The land/building use for non-responsive EPBs is primarily commercial.





Amongst the non-responsive EPBs for 2027, most expiring that year are again commercial use, with the next biggest group for 2027 being industrial use.

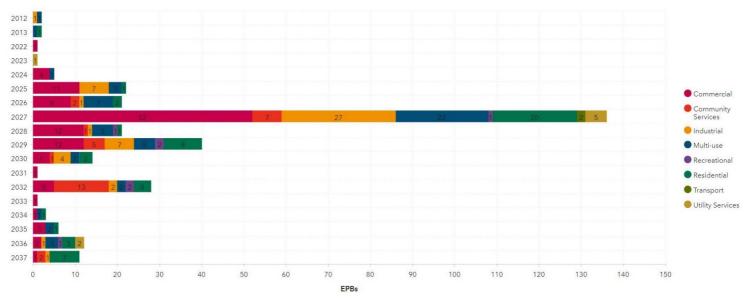


Figure 64. Non-responsive EPBs Expiry Year vs Land use.

## 6. SUMMARY & NEXT STEPS

### 6.1. Summary Statements

Overall, the response to the survey was constructive and indicated more momentum among EPB owners than has been previously observed. The key lessons and observations that have stood out in this year-long exercise are as follows:

### i. Many EPBs are on Track to Meet Deadlines

Most EPB owners who responded appear to have a plan, and the majority have embarked on a course of action to meet their statutory timeframe. Where buildings are to be strengthened, most owners aim for a higher % of the New Building Standard rating than the legal minimum of 34%NBS, ultimately leading to a more resilient, safer city.

### ii. Awareness of Incentives and Support is Lacking

While the incentives offered by the Council and other government agencies are not new, the EPB owners lack awareness of each incentive. Based on the responses, there is work to do to increase awareness and understanding of current offerings, especially the rates and building consent rebates offered by the Council. Following up with survey respondents and non-respondents about the incentives on offer are one of the Council's next steps.

### iii. Non-responsive EPBs with Deadlines Approaching

There is a growing concern about the absence of engagement from some owners, particularly those whose EPB notices expire between 2023 and 2027. More specifically, in 2027, the spike in expiring notices is exacerbated by low engagement with owners. Sixty-three percent of owners (136 buildings) whose notice expires in 2027 did not respond to the survey, and across the ~600 EPBs, more than half chose not to respond.

While assumptions can be made about those ~300 non-responsive EPBs, this is still a substantial concern for the Council. Even if 75 percent of this group manages to complete seismic work by their deadlines, that still leaves 65 buildings that may not, and could be subject to further enforcement action. In a housing crisis, the consequences for the city with that level of vacant buildings are potentially very harmful.

The Council understands the impact this can have on the city and the residents and is taking steps to unpack the concerns through scenario modelling for this very vulnerable group. This work is due in early 2023.

#### iv. Numerous EPBs are Commercial Smaller **Buildings**

Smaller (1,2, and 3-storey) commercial buildings make up a large portion of the current EPB stock. These EPBs are owned or occupied by many small, family-run businesses that uniquely add to Wellington's economy and culture. Further thought about how best to support this common building owner group to meet the EPB notice deadlines is required.

**Concern for Body-corporate EPBs** ٧.

The survey findings have highlighted that EPBs, with body corporate ownership structures, are at the highest risk by the



Figure 65. Street view of Tinakori Village. Source: Maanvi Chawla

ratio of buildings. Fifty percent of EPBs owned by body corporates are rated as high risk, compared to 14 percent in single person owned and 25 percent in single/couple owned. Additionally, when individual owners provided comments about specific concerns or ideas that weren't covered by the survey questions, 'Body Corporate Consensus Issues' was a significant theme.

#### 6.2. **Next Steps**

- To grasp and facilitate the success of the current EPB methodology, the Council intends to guantify the impacts of the application of the EPB legislation. This will be achieved through data-based scenario modelling, specifically the requirements for building owners to meet their EPB notice expiry dates and the affect of any non-compliance. This impact analysis will include the financial, economic, and social impact on Wellington City, the Council, and building owners. This work will help the Council to understand the potential roles that it could play, that is of a regulator, advocate, facilitator, funder, financier etc., in supporting building owners to meet the legislative deadlines. The impact analysis will ultimately provide the Council with an evidence base to establish what policy position(s) could be adopted. The Council has already initiated this investigative work with PricewaterhouseCoopers (PwC) Advisory Services as of September 2022.
- Work with Central Government agencies to provide further funding and ways to assist bodycorporate owner groups in facilitating collective decision-making.
- Communicate with EPB owners about the funding incentives available through the Council and work with government agencies to promote their support offerings to EPB owners. Engage with EPB owners about the incentives offered by the Council and other Central Government agencies. The team intends to share this excerpt of the survey with a note of thanks to survey respondents acknowledging their inputs.

- For buildings with statutory deadlines looming between 2023 and 2027, the team will engage in a targeted outreach to engage with their owners to discuss progress and ensure they are getting the right advice and support to meet their EPB notice deadline.
- Consider what assistance might be provided specifically to small commercial building owners, that face hardship due to the costs of seismic work and their ability to manage seismic work projects. This group of building owners contribute significantly to the economy, heritage values and vibrancy of Wellington City.
- Initiate investigation into the likely costs of providing potential incentives in the future for those incentives rated most useful by building owners.

## 7. CONCLUSION

Close to five years have passed since the rollout of the current EPB legislation. The Council's Earthquake Prone Building Owners' Survey was conducted to check in with EPB owners to gauge progress made towards seismic strengthening requirements. The survey was well received with a 50 percent return rate from owners, and self-reporting indicating a good understanding of their responsibilities.

Overall, the response to the survey was constructive and indicated more momentum among earthquake-prone building owners than previously observed. Most survey respondents indicated that they'd engaged an engineer and plan to undertake seismic work. Intentions of the balance of owners (of approximately 300 buildings) remain unknown.

Since the survey, further buildings in Wellington City have been assessed to be earthquake-prone and are now active EPBs. More than a third of the current EPBs have an expiring deadline in the year 2027, and only 37 percent of owners of EPBs expiring that year responded to the survey. A concerning 63 percent of owners (136 buildings) whose notice expires in 2027 did not respond to the survey. Left unchecked, this unknown regarding seismic work plans is a risk to the work programme. The Council will continue to actively pursue this, as earthquake risk persists and the deadline year looms, putting pressure on the owners.

Owners seek compliance with EPB legislation, yet this intention does not necessarily match with their financial capability.

More than a fifth of owners that want to strengthen their EPBs are doubtful about their ability to fund the seismic work. The need for financial assistance through potential incentives or creative funding schemes is a highlight of the survey findings; discounts on various types of fees (resource consent, construction zone parking, corridor access request fees) appear as top-rated by responding owners.

Wellington's EPBs are deemed to be earthquake prone in terms of a moderate earthquake, as per the legislation. EPB deadlines are a legislative tool to make the city more resilient, one building at a time. The success of the EPB policy is evident through the 520 buildings that are no longer EPB. While the initiative and resource of the owners who remediated their EPBs is to be appreciated, it must be acknowledged that at least 7 percent of the current EPB owners surveyed have not decided or have no plan to remediate their EPBs.

The survey results will inform the next Impact Analysis phase of work; this analysis will quantify, where possible, the impacts of the application of the earthquake-prone building legislation., Specifically, this phase will look at the requirements for building owners to meet the notice expiry deadlines and the affect of any non-compliance.

With the COVID -19 pandemic disrupting supply chains and taking up most of the public's attention, earthquake risk in Wellington City may have faded from public memory. Effective and meaningful communication regarding the earthquake risk and the incentives on offer to reduce that risk is a prudent council approach.

The sooner we achieve seismic resilience the safer Wellington City will be.

September 2022 Maanvi Chawla and Hayley Moselen – Resilient Buildings – Wellington City Council.

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### Appendix A – Survey Questionnaire

### Earthquake-prone Building Owners Survey Questionnaire 2021-2022

The following questions will provide information to Council to help us determine how people are progressing with meeting their EPB timeframes, where owners' roadblocks lie, and inform how we can help building owners to achieve their EPB timeframes. Your individual responses will not be reported or provided to any third party.

### 1. How is the building owned or what is the ownership structure?

- Body Corporate
- □ Single Person/Couple □ Utility
- Company Share Cross Lease
- Owner Single Company
  Other\_\_\_\_\_
- Multiple owners but no bodycorporate

structure

Leasehold land

Owner

Government

### 2. Contact details for the person who is/will act as the Council's point of contact?

□ Community/Church Group

Name:	
Company Name:	
Email:	
Phone:	

### 3. How long have you owned the building (single/company owners)?

<2 Years	5-10 years	15+ Years
2-5 Years	10-15 years	NA (Multi Unit)

### 4. How is the building occupied?

Single Person/Couple Owner/Occupier	Multi-unit mixed owner occupier/leased or	Untenanted
	rented	Community/Church
Single Company		group owner occupier
Owner/Occupier	Leased/Rented Long	
	Term	
Multi-unit all		
Owner/Occupier	Leased/Rented Short	
	Term	

### 5. What do you intend to do with your earthquake-prone building?

Strengthen	Sell Building	•	Other
Demolish	No Plan		

### 6. When do you intend to carry out this plan?

n/a	2026	•	2032
2021	2027	•	2033
2022	2028	•	2034
2023	2029	•	3035
2024	2030	•	2036
2025	2031	•	2037

### 7. If you are strengthening, what is the building strength you will target?

34%	67-79%	•	Not
35-66%	80-100%		Sure

### 8. Have you engaged an engineer?

Yes		No
Yes		No

### 9. Contact details for the engineer?

Name:					
Compa	any Nar	me:			
Email:					
Phone					
	10	. Which of the following	actions have y	ou	completed or have occurred:
a)	Engine	eering Assessment?			
		Yes			No
b)	Engine	eering Assessment and co	oncept design?		
,		Yes	, .		No
c)	Buildir	ng Consent to strengthen?	<b>,</b>		
0)		Yes			No

d) Building Consent to demolish?

		□ No	
e)	Resource Consent to strengthen?	□ No	
f)	Resource Consent to demolish?	□ No	
g)	Lapse of Building Consent?	□ No	
h)	Lapse of Resource Consent?	□ No	
i)	Programme of works to undertake seisn	mic work?	
j)	Seismic work began onsite?	□ No	
k)	Code Compliance Certificate (CCC) app Yes	plied for?	
	11. Do you have information avail so, how much is the strengthenin	ilable from a Quantity Surveyor QS or a Tenc ng estimated to cost?	ler? If

0-300 000	1-1.5 million	10-20 million
300 001-700 000	1.5-3 million	20+ Million
700 001 – 1 million	5-10 million	

### 12. How do you intend to fund the work required?

Equity	Combination of both	Other
Borrowings/Debt	Fundraising	n/a

13. How confident are you that you can fund the seismic work required? 1 - not confident, 4 - very confident:

1 2	□ 3 □ 4								
14. Are you aware of any of the following?									
a)	Built Heritage Incentive Fund? <ul> <li>Yes</li> <li>No</li> <li>n/a</li> </ul>								
b)	Building Resilience Fund?       Yes     No     n/a								
c)	Heritage EQUIP – by Ministry of Culture & Heritage? Yes INO In/a								
d)	Residential Earthquake-prone Financial Assistance Scheme offered thru Kainga Ora?YesNon/a								
e)	WCC Rates Rebates for - if your building is empty during strengthening? Ves n/a								
f)	WCC Rates Rebates for - if your building is no longer earthquake-prone? Ves n/a								
g)	WCC Rates Rebates for - 10% discount on building consent fees? <ul> <li>Yes</li> <li>No</li> <li>n/a</li> </ul>								
	15. Have you applied for any of the following?								
a)	Building Resilience Fund?								
b)	Built Heritage Incentive Fund? Yes No n/a								
c)	Heritage EQUIP – by Ministry of Culture & Heritage? Yes INO In/a								
d)	Residential Earthquake-Prone Financial Assistance Scheme?          Yes       No       n/a								

16. Rate the following on a scale of 1 - not useful to 4 - very useful:

a)	Early Project Management support – advice about where to start and the process for deciding between demolition, strengthening or sale?									
	□ 1		□ n/a							
	□ <b>2</b>	□ 4								
	L <b>Z</b>									
b)	High level advice about the nature and complexity of the engineering works required for the building to help select an appropriate engineer?									
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								
c)			tial structural issues in the building?							
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								
d)	early Quantity Surveying options?	advice – nign ievel advice	e around potential costs of different							
		□ 3	□ n/a							
	□ <b>2</b>	□ 4								
	⊥ <b>∠</b>									
e)	Facilitation/mediation of l	oody corporate meetings –	- support to decide a course of actior	n?						
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								
f)	Pre and post work valuat	ion – access to valuers to	help assess the outcomes?							
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								
g)	Discount on Resource C	onsent Fee?								
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								
h)	Discount on Corridor Acc	ess Request Fee?								
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								
i)	i) Discount on Construction Zone Parking Fee?									
	□ 1	□ 3	□ n/a							
	□ 2	□ 4								

*j)* Ratepayer Financing Scheme – an alternate loan source to help owners who cannot finance strengthening?

		1		□ 3		n/a			
		2		□ 4					
k)	k) Access to a direct point of contact at Citizens Advice Bureau?								
		1		□ 3		n/a			
		2		□ 4					
I)	Access to a direct point of contact at Tenancy Services (MBIE)?								
	□ 1			3	n/a	1			
	□ 2	Γ		4					

17. Are there any other ways that the Council could help you to resolve the earthquake-prone status of your building?