

Property Council New Zealand

Submission on proposed changes to the Seismic Assessment Guidelines for non- earthquake prone buildings

15 August 2024

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Submission on proposed changes to the Seismic Assessment Guidelines for non-earthquake prone buildings

1. Summary

- 1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to submit to Engineering New Zealand on proposed changes to the Seismic Assessment Guidelines for non-earthquake prone buildings. Comments and recommendations are provided on issues relevant to Property Council’s members.

2. Recommendations

- 2.1 At a high level, Property Council recommends that:

- Consultation be paused or halted so that the Joint Committee for Seismic Assessment and Retrofit (“the Joint Committee”) can re-evaluate the implications of updating the seismic assessment guidelines.

3. Introduction

- 3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.
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- 3.3. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand. We aim to unlock opportunities for growth and urban development that meets New Zealand’s social, economic and environmental needs.
- 3.4. Property is New Zealand’s largest industry and fastest growing source of employment. Property provides a direct contribution to GDP of \$41.2 billion (15 per cent) and employment for around 200,000 New Zealanders every year.
- 3.5. Property Council is the collective voice of the property industry. We connect over 10,000 property professionals and represent the interests of approximately 550 members organisations across the private, public and charitable sectors.

4. General comments

- 4.1. Property Council has not commented on the technical nature of the consultation material but rather provided feedback on the broader issues within the system.

5. Uncertainty for the sector

- 5.1. We are concerned with the timing of this consultation, given that the Government is currently undertaking a review for seismic risk management in existing buildings under the earthquake

prone building system. One of the biggest concerns for the sector is the uncertainty that is created by ever changing seismic assessments. Changes in building standards create flow on effects to the feasibility of projects and long-term ownership decisions, ultimately impacting the building stock in New Zealand.

- 5.2. For example, we are concerned with the current NBS ratings system. Continued changes and reliance on specific seismic performance ratings, create uncertainty for projects and long-term commitments related to existing assets. Overtime, this affects the use of buildings and future pipeline of development due to feasibility concerns.
- 5.3. Our members have informed us that some tenants of existing buildings regularly seek provisions requiring lessors to maintain a certain NBS rating over the term of a lease. Each time a material change to standards downgrades existing standards it increases expectations of further building upgrades to match the new standard. This is commercially challenging over the course of a longer-term lease, say for example fifteen years with right of renewal for 6 years.
- 5.4. As a solution to the uncertainty, Property Council recommends that the Government conduct planned reviews of the earthquake prone building system. For example, such a review could occur every 20 years. Given that the development process is long (including the planning, design, and construction phases), 20 years will allow for projects in the pipeline to progress, and to be built to the correct standard, before the system is reviewed again.

6. Conclusion

- 6.1. While we have not commented on the technical nature of the consultation material, we ask that the Joint Committee pause or halt this consultation to re-evaluate the implications of updating these seismic assessment guidelines, given that this could create more uncertainty in the sector. We urge the Joint Committee to engage with property owners and operators to understand the market appetite and/or need for change.
- 6.2. Comments and recommendations are provided on issues relevant to Property Council's members. For any further enquiries, please do not hesitate to contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email: sandamali@propertynz.co.nz or cell: 0210459871.

Yours Sincerely,



Katherine Wilson
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