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**FOREWORD** VIEW FROM THE GM OPERATIONS & MARKETING



**Refreshing our approach**



**PlaceMakers continues to evolve to serve the changing needs of the industry**

You don't need me to tell you that the building industry has changed significantly over the past five years – with it, so have builders' needs and our approach to ensuring we meet them.

We launched *Under Construction* and our skills maintenance seminars in anticipation of the introduction of Restricted Building Work, which made being a Licensed Building Practitioner (LBP) compulsory for many. Our goal was to help LBPs earn the skills maintenance points required by the scheme – later termed 'elective' learning.

For four years, the scheme depended wholly on industry-led activities such as those offered by PlaceMakers – and we remained committed to supporting builders along the way.

That commitment has never changed, but what has is the LBP points system. The introduction of mandatory activities towards the end of 2015 reduced the need for elective points by half.

**Evolution to meet customer demand is a key aspect of good business and we want to ensure that PlaceMakers is in the best position to service your needs**

With those changes well and truly in full swing, we've looked at how best we can use our resources to support our builders. As such, we will now host one series of skills maintenance seminars per year – with the next starting in late July – and publish a printed version of *Under Construction* every two months.

That doesn't mean we'll be delivering any less news, views and tips each month. Our website will feature the same number of monthly articles to ensure you don't miss out on any of the relevant industry information you have come to rely on – we'll be posting articles as they become available, so make sure to visit the site for the latest updates.

We know that gathering points isn't the only reason our customers read *Under Construction* – most are committed to staying up to speed for their own professional development.

Evolving to meet customer demand is a key aspect of good business and we want to ensure that PlaceMakers is in the best position to service your needs. We look forward to continuing to provide high-quality content that adds value to your business.

**Gary Woodhouse**

General Manager Operations & Marketing





6

## NEWS

- 4 PAC NEWS** PlaceMakers Apprentice Crew provides support network to aspiring builders across the country
- 6 COMMUNITY NEWS** PlaceMakers helping to build future workforce
- 14 INDUSTRY NEWS** New consents tail off but remain high; New acceptable solutions for residential swimming pool barriers; RMA reform passes into law



18

## FEATURES

- 5 BUILDERS' BUSINESS** Business practices of your fellow builders
- 8 BUILDING & HOUSING GROUP** Deconstructing the Construction Contracts Amendment Act
- 10 BRANZ** The second part in our series on how to properly waterproof bathroom tiles
- 13 BULTIN** Make sure you're covered in the event of an accident or natural disaster
- 16 CCANZ** How to achieve a rocking concrete finish!
- 18 SITE SAFE** Working in the cold brings a unique set of challenges and risks – ensure you and your team are prepared
- 20 SUCCESSFUL BUILDER** Just because it's cooling off outside, it doesn't mean your profits have to!
- 22 LEGAL** How to avoid crossing the line when it comes to building fences



20

## OTHER STUFF

- 24 SKILLS MAINTENANCE** Record your LBP skills maintenance – you've earned it!



22

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**PlaceMakers**



# PAC up and running!

**Launched in March, PlaceMakers Apprentice Crew (PAC) has been an instant hit with aspiring builders around the country**

As New Zealand's largest trade supplier, PlaceMakers is committed to supporting those entering the building industry.

Over the past four years, this took the form of the PlaceMakers Apprentice Scholarship Scheme – an annual programme designed to help ten BCITO apprentices go from rookie to registered by covering course fees and providing ongoing support.

This year, the PlaceMakers Apprentice Crew (PAC) was established to reach and support more budding young builders. PAC – a 'club' model – is available to all carpentry apprentices around the country, whether they're just starting out, in the middle of their apprenticeship, or about to graduate.

It's a long-term commitment from PlaceMakers to help aspiring builders make the most of their apprenticeship.

"Apprentices are the future of the construction industry and we recognise that, so we want to back them," says PlaceMakers General Manager Bruce McEwen. "By taking this approach, we can have more of an impact on a larger number of apprentices by way of industry expertise, merchant support and a developed network."

Crew members have access to a range of perks, such as freebies, discounts, special offers, competitions and industry news. Educational and networking opportunities in the pipeline will provide a great way to connect with other apprentices and share experiences and learnings – on or off site.

PAC members who are just about to qualify have access to the 'Graduate Toolbox', a great resource for those



who eventually want to start their own business, as well as ongoing discounts when shopping at PlaceMakers.

### ONE OF THE CREW

Since the programme launched in March, members have been pouring in and uptake has exceeded expectations. One of these new PAC members, Joseph Duffey, was the lucky winner of an essential Carpenter's Kit (courtesy of Apex Tool Group), worth over \$1,000.

"I heard about PAC through our local PlaceMakers rep, who often attends our toolbox meetings," says Joseph, a Whakatane-based builder in the final year of his apprenticeship.

"I thought it sounded like a great way to build connections with other apprentices and winning this prize was a massive bonus. I look forward to comparing experiences with other PAC members."

Having worked in a variety of other

industries before deciding to complete his building apprenticeship, Joseph is confident he made the right choice.

"It's by far the most rewarding job I've ever had," he says. "After four years, I'm still learning new things, tackling new challenges and looking forward to seeing the projects I've worked on completed."

### APPRENTICE OF THE MONTH

Starting this month, PlaceMakers will select an 'Apprentice of the Month' to recognise PAC members for their ongoing efforts and celebrate the great strides they take in learning.

Entry criteria will be simple and each monthly winner will receive a prize. Details can be found on the PAC Facebook page and PAC online hub.

PAC hub: [pac.placemakers.co.nz](http://pac.placemakers.co.nz)  
PAC Facebook page: [facebook.com/pac.placemakers](https://facebook.com/pac.placemakers)



## Looking ahead

Builders' Business is a column by builders for builders. Its objective is to provide a forum, particularly for small business operators, in which to share knowledge, experience, tips and ideas

**Q:** What do you think are the biggest challenges facing the industry in the next ten years?

**Firm:** HAMR Home  
**Principal:** Richard Warwick  
**Location:** Whitianga  
**Staff:** 9

Keeping up with all of the new regulations and health and safety changes is an ongoing challenge, as it pushes up the cost of doing business.

One problem in our area, which I suspect is also a problem in Auckland, is that we have so much work on but a shortage of houses, so it's difficult to bring in outside workers because you can't find them somewhere to stay. I think it's the ripple effect of people leaving the main centres.

The labour shortage we're experiencing ties into it as well, because it's difficult to find skilled employees. I think that, as an industry, we could be better at targeting young people and encouraging schools to push them towards trades.

The Gateway programme is a good initiative, as it allows students to spend some time on building sites and get a feel for the job.

I also think the resource consent process needs to be more forward-thinking; we're running out of sections up here, and it takes a long time for land to become available to build on.

**Firm:** Ohlson & Whitelaw Ltd  
**Principal:** Craig Ohlson  
**Location:** Whitianga  
**Staff:** 8

Finding enough skilled workers to meet demand will continue to be an issue in the coming years.

There is a concern around the lack of skilled workers in the industry, and the idea of having inexperienced workers running sites is a major part of that – not only in regards to the quality of work, but also to the health and safety of those on site.

### Finding enough skilled workers to meet demand will continue to be an issue in the coming years

Construction projects are also becoming more demanding, as designs become more complicated.

Therefore, we need to ensure we have a steady supply of skilled and qualified workers coming into the industry.

**Firm:** Ross Bailey Builder Ltd  
**Principal:** Ross Bailey  
**Location:** Christchurch  
**Staff:** 7

One of the biggest challenges currently facing the building industry, which I believe will continue, is a lack of collaboration between designers, architects, engineers, council compliance teams and builders – it's too fragmented.

Greater education is also required around builders understanding their obligations in respect to the building code. This would be beneficial to everyone involved.

I'd also question if 'stick' construction (timber framing) is still the best way for us to build, as it feels and looks like there are ever-increasing costs across the board.

In the future, I think houses will likely become smaller and more sustainable. If this is the case, design innovation will have to evolve and maybe this will lead to an increase in productivity in the construction sector.

Homeowners' expectations also continue to grow. How we go about understanding this to ensure we're delivering what they want is another challenge. We'll have to keep looking at our systems and processes, and at finding ways to measure our performance throughout builds.

## Now have your say...

**WHAT PROCESSES DO YOU HAVE IN PLACE FOR ASSESSING POTENTIAL CLIENTS BEFORE YOU START WORKING FOR THEM?**

ANSWER THIS QUESTION TO ENTER OUR QUARTERLY PRIZE DRAW

Email your answer with your full name, contact phone number, company name, number of full-time staff and the city or town in which you're based to [editor@pmundersconstruction.co.nz](mailto:editor@pmundersconstruction.co.nz). All responses must be submitted by 25 June 2017. The answers to this question will be published in *Under Construction* August 2017.



## Laying the foundations for a career



Hauraki Plains College 2017 house builders (l-r): Tyler McKenzie, Luke Knudsen, Zane JustRorie Piffold, Jacob Allen, Thomas Hayward, Devin Clark-Bogle, Tony Angell, Leyton Penu, Mark Cryns and Hudson Pollock

### As the building industry struggles to deal with a labour shortfall, PlaceMakers and Hauraki Plains College have together laid the foundations for an innovative programme to help introduce young people into the trade

Year 13 students at Hauraki Plains College interested in a building career can get an early taste of the trade, thanks to a house building course established five years ago following a conversation with PlaceMakers Mangawhai Depot Manager Paul Kerr.

Paul, then working at the Thames branch, says he approached the college after a series of conversations with Branch Operator John McGill.

"We had been talking about the lack of young apprentices coming in to the building industry in our area and I took it upon myself to approach the school," says Paul.

"I spoke with two carpentry teachers

[the aptly named Pete Carpenter and now retired Bruce Ratcliffe] and the principal Ngaire Harris about my idea to get students to build a house in partnership with our branch, both as a way of engaging them with the building industry and educating them on the nature of construction work."

Paul also approached a number of key suppliers, such as James Hardie, Winstone Wallboards and Tasman Insulation, to help support the project.

"They all thought it was a great idea and were prepared to help in any way they could, so we arranged classroom visits where they could show the students how to install products correctly, along with discussing the technical elements of the

products and the role they play in the project," he says.

#### GETTING OFF THE GROUND

After getting approval from the Board of Trustees, the school created an optional course for Year 13 students, where they would build a transportable three-bedroom home over the course of the year, with initial financing provided by the Board in the form of a loan.

In addition to initiating the conversation and arranging support from suppliers, the local PlaceMakers store provided nailing beds for the students, so they could build the frames on site, and donated a number of tools to the school.

PlaceMakers Thames Branch Operator

John McGill also arranged for them to get the trusses made through PlaceMakers Frame and Truss plant in Hamilton, which the students then erect on site once they are delivered.

John says it's a project he's proud to be involved with.

"For me, I enjoy watching the students grow and seeing them really care about what they are doing. It's also great because it helps put them in front of a great future within our building trade."

#### BUILT TO LAST

The houses are built to a standardised 128m<sup>2</sup> design, which teacher and former builder Pete Carpenter says simplifies the process.

"It's good because it makes the compliance side of things easier and, because it's transportable, we're able to use the same foundation every year," he says.

"There are also a couple of really nice features, such as the open plan kitchen and living area, along with scissor trusses in the lounge that create a vaulted ceiling.

Pete, who project manages the build, says all the features are "overbuilt" because they don't know where the homes will end up.

"We sell them ex-yard, so after everything has been signed off we're done, but someone could be moving them into a high wind zone, so we need to make sure it will stand up to the conditions. We've had them go all over the place and we've had really positive feedback."

#### CREATING A CAREER PATHWAY

Pete says the course is run similarly to pre-trade courses offered by polytechnics.

"We use the BCITO Gateway package, which covers six theory units that can be credited towards an apprenticeship.

"At the start of the year, we put all of the

students through a SiteSafe foundation passport. It's hugely beneficial for them, as health and safety is an important part of the industry these days."

He estimated that each year around five or six students from the course would go on to do a building apprenticeship.

One such apprentice is James Pou, who graduated from Hauraki Plains College in 2012.

While he'd always had his eyes on a career in building, James says that completing the course at college reinforced that it was the right path for him.

"I started working in the industry in 2013 out of school and started my apprenticeship a year later. I found the course really good, as it helped me get a head start and meant I wasn't going into the career blind or needing to learn from scratch," says James.

"I'd say the most helpful skill I learnt was the theory relating to maths and calculations. It wasn't something I'd studied too closely as a subject on its own, so learning how to apply it practically was really helpful."

Four years into his career as a builder,



Hauraki Plains College students get invaluable building experience through the school's building course, including how to erect a roof

James says he still enjoys it.

"I'm working on a lot of renovations at the moment and I love seeing how an old house can be transformed into something new."

#### GOOD FOR THE INDUSTRY

BCITO chief executive Warwick Quinn says there are a handful of other schools across the country with similar programmes, which he thinks is fantastic.

"Giving people hands-on experience that showcases construction as a genuine career path at school is really important, as there is often a lot of pressure on young people to attend university and the trades tend to take second place to that," says Warwick.

He says it's also great that students get to experience the trade first hand, allowing them to make a more informed decision about whether or not they'd like to pursue a career in construction.

Warwick added that he thought schools needed to do a better job of explaining that a career in construction doesn't necessarily entail a life spent on a building site, as there were a number of different roles people could move into later if they wanted to.



## CCAA retentions regime

Ministry of Business,  
Innovation & Employment



The purpose of the retentions trust regime is to protect retention funds in the event of an insolvency event, such as occurred with Mainzeal

### Under Construction looks to further clarify the details of the Construction Contracts Amendment Act 2015 retentions trust regime

Since the passing of the Construction Contracts Amendment Act (CCAA) in 2015, the construction industry had been waiting to find out the details of the retentions trust regime.

With 31 March come and gone, the CCAA is now in its final form – after some eleventh-hour amendments. We've covered the new regulations extensively over the past few months, but builders have told us that some aspects are still unclear.

With that in mind, we've gone into further detail about the retentions trust regime and the most recent changes.

#### THE MAIN CHANGE

By far the most controversial change

under the CCAA requires that all retention money withheld by a party (Company A, usually a principal or head contractor) from another (Company B, usually a contractor or subcontractor) is deemed to be held on trust.

This applies to all commercial construction contracts where the retentions are above a minimum amount. However, after consulting the building industry in 2016, MBIE decided not to specify a minimum amount. This means that the retention money provisions will apply regardless of the amount of money involved.

The purpose of the retentions trust regime is to protect retention funds in the event of an insolvency event, such as occurred

with Mainzeal.

Trust funds receive special status in a receivership, liquidation or bankruptcy, as they are not the property of the party holding them. This means in Company A's insolvency, Company B will have a claim to the retention funds above other creditors, including the IRD and banks.

#### MANAGING THE FUNDS

The CCAA specifies how Company A can hold and use the retained sums. The funds must be held as cash, or another liquid asset readily convertible into cash. Company A can invest the retentions money held, so long as they uphold their obligations under the Trustee Act 1956 (and the investment remains readily

convertible into cash). Company A will be entitled to keep any benefit of this investment, but must make up for any shortfall.

Company A will also be allowed to co-mingle the retention monies in their current accounts – in other words, with Company A's working capital. Some industry experts have expressed concerns about this, as from a trust management perspective it is not the best practice and erodes away the protections offered by a trust.

The CCAA also prescribes record-keeping requirements for the retention funds. These requirements mirror those contained in the Companies Act and will be familiar to accountants.

### The retentions regime only applies to contracts entered into or renewed after 31 March 2017

The CCAA provides that Company B may request a copy of the records pertaining to the trust funds they are the beneficiary of. This is a useful tool for Company B to use to ensure Company A is upholding their obligations.

Company A may only use the retention funds to remedy defects in the performance of Company B's obligations under the contract, and they must be repaid once Party B has performed all its obligations under the contract to the

agreed standard. A contract clause that delays this repayment, or makes it conditional, will be void.

#### REGULATORY AMENDMENT

After years of anxious anticipation within the industry, the NZ government finally released an amendment contained within the Regulatory Systems (Commercial Matters) Amendment Bill.

The amendment clarified an ambiguity in the CCAA by confirming that the retentions regime would apply only to contracts entered into or renewed after 31 March 2017 (rather than all existing contracts as it initially appeared).

Also, in March 2017, less than a month before the regime was to come into force, an alternative to the regime was offered.

#### RETENTION ALTERNATIVE

The alternative allows Company A to sidestep the retention trust requirements,

if they take out a 'complying instrument'. Company A is not required to hold Company B's funds on trust, if Company A takes out an instrument that adheres to the following criteria. The instrument must be:

- Issued by a licensed insurer, registered bank, or any other person/entity prescribed by regulations.
- Issued in favour of Company B or endorsed with Company B's interest.
- A means of securing for Party B repayment of retentions should Company A fail to do so.

The instrument can take any form, provided it complies with the above – the examples given are insurance, bonds and guarantees. However, the retentions trust regime is still the default position.



Most large residential builds have a number of subcontractors on site at any time. Under the new CCAA regulations, any retentions withheld from them will be better protected in the event of insolvency

Further information on the Amendment Act and retentions is available on the MBIE website [www.business.govt.nz](http://www.business.govt.nz)

## PROVE YOUR KNOWLEDGE!

Tick the correct answers below and record what you've learnt in the record of learning on the back page! Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.

- |   |   |   |
|---|---|---|
| <p>1) In a receivership, why is having retention money held on trust good for subcontractors?</p> <p>a) It doesn't make a difference, as the money is still the property of the party holding them (the head contractor).</p> <p>b) They will have a claim to the retention funds above other creditors.</p> <p>c) It means they will get it back no matter what.</p> | <p>2) How must retention money held on trust be held?</p> <p>a) In a separate bank account.</p> <p>b) As cash, or another liquid asset readily convertible into cash.</p> <p>c) In a long-term deposit account.</p> | <p>3) What contracts does the retention scheme apply to?</p> <p>a) Only those entered into or renewed after 31 March 2017.</p> <p>b) All existing contracts.</p> <p>c) Only those entered into or renewed before 31 March 2017.</p> |
|---|---|---|



# Waterproofing tiled showers - Part 2



When tiling walls, remember to apply sealant around fittings and taps where they penetrate the substrate

## The second part of this article covers how to correctly prepare substrates for tiling and the importance of ensuring membranes are waterproof

Correct substrate installation and preparation of tiled shower floors and walls are essential for the shower to remain fully waterproofed. Create falls during substrate installation.

### PREP FOR TILING FOR FLOORS

The minimum for suspended timber floors under a tiled shower should be one of the following:

- H3.2 treated, 17mm thick minimum, CD grade structural ply with the C face upwards (LOSP-treated ply must not be used), supported at 400mm maximum spacings in both

directions. Fix with 10 gauge, 50mm stainless steel, countersunk screws at 150mm centres maximum at the sheet edges and 200mm centres maximum across the sheet.

- 20mm thick, treated RWB, wet area grade sheet material supported at 400mm centres maximum and installed according to the manufacturer's instructions.
- 19 or 22mm thick sealed, fibre-cement flooring installed according to the manufacturer's instructions.

- 18mm fibre-cement compressed sheet flooring or 6mm thick fibre-cement sheet tile underlay laid over flooring (minimum H1.2 flooring or H3 plywood) and fixed according to the manufacturer's instructions.

The substrate must not deflect more than 1/360th of the span under dead and live loads. For example, where L = the span between joists:

- If L = 400mm
- $L/360 = 400/360 = 1.1\text{mm}$  is the maximum permitted deflection.

Concrete floors can have a rebate formed in the slab with the falls created using a mortar bed, or the falls can be incorporated when the floor is laid. A waterproof membrane should be laid over (not under) a mortar bed to ensure that the mortar remains dry.

Proprietary metal or acrylic tray-type shower bases, over which tiles can be laid, are also available. Install according to the manufacturer's instructions.

They may require notching the framing or packing out the sheet wall lining material to provide the required waterproofing detail at the tray/wall lining junction.

The floor outlet, either a conventional waste or a channel drain, should be specifically designed for use with a waterproof membrane and tiles. Rebate flanges into the substrate to create a flush surface, so drainage is not restricted, and seal the waterproofing system onto the flanges (Figure 5).

### PREP FOR TILING FOR WALLS

The wall substrate under tiles should be:

- 6 or 9mm thick fibre-cement sheet.
- 10 or 13mm thick wet area plasterboard.
- A proprietary waterproof sheet material such as closed-cell polystyrene insulation board with a reinforced cement polymer mortar surface.

Fibre-cement sheet and plasterboard should be fixed with stainless steel screws at spacings recommended by the manufacturer. Fill the gap at the junction of the base of the wall substrate with the flooring substrate with a continuous bead of sealant and apply sealant around fittings and taps where they penetrate the substrate.

Proprietary waterproof sheet materials should be fixed to the manufacturer's instructions. The waterproofing membrane must cover the sealant around each penetration (see Figure 6).

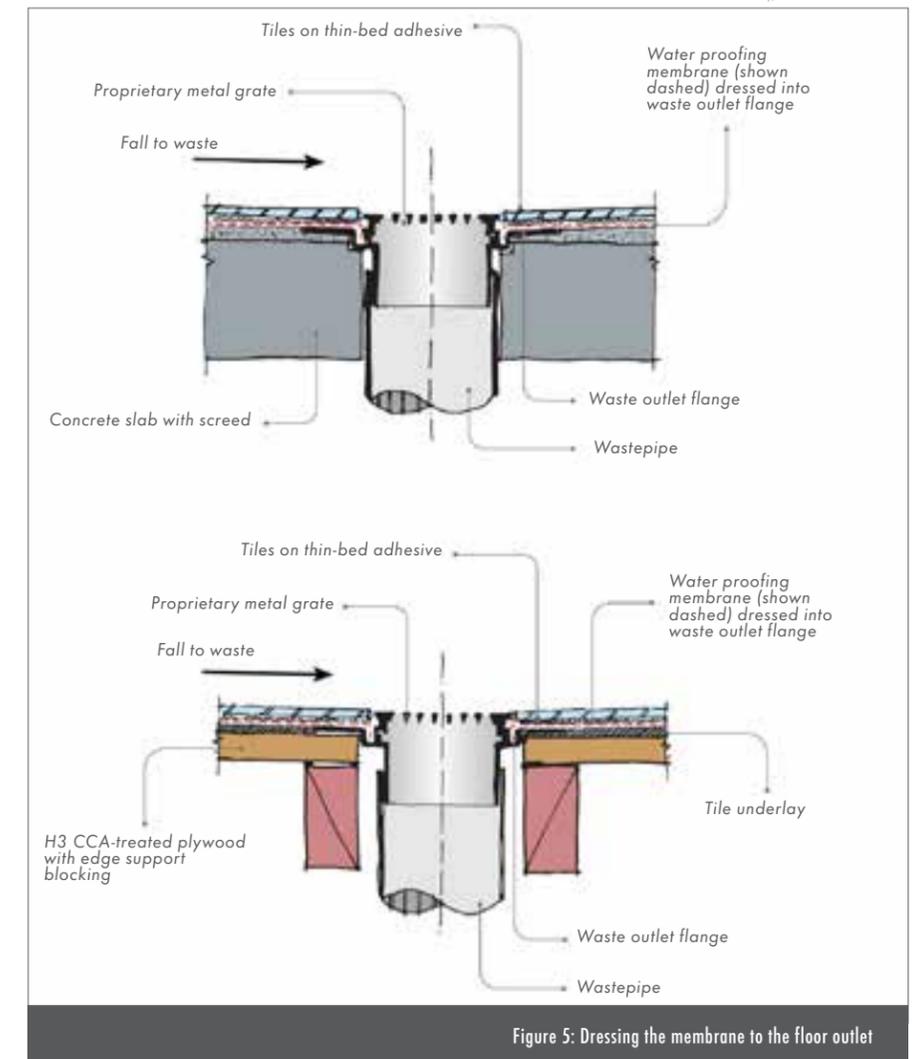


Figure 5: Dressing the membrane to the floor outlet

### RANGE OF WATERPROOFING SYSTEMS

Waterproofing systems available for interior tiling include a range of liquid-applied systems, such as:

- Liquid-applied polymer (acrylic) gels or pastes.
- Styrene butadiene co-polymer latex admixtures (SBRS).
- Liquid-applied acrylic or latex-modified two-part cementitious coatings.
- One-part waterborne elastomeric moisture-cured polyurethanes.
- Glass fibre reinforced resins.

Reinforcement such as fibreglass,

polyester mesh or chopped strand microfibre may be incorporated into the waterproofing material.

Also available are sheet waterproofing systems, such as:

- Polyvinyl chloride (PVC) sheet material.
- Chlorinated polyethylene (CPE) sheet material.
- SBS (styrene butadiene styrene) - modified rubberised asphalt material.

### APPLYING THE WATERPROOF MEMBRANE

All waterproofing systems will require application according to the manufacturers' instructions by

# Waterproofing tiled showers - Part 2



a specialist applicator for the warranty to be valid.

### Liquid-applied membranes

Before applying liquid-applied membranes, prime as required using a primer recommended by the manufacturer.

Membranes must be applied according to the manufacturer's specified number of coats to achieve dry film thickness and be allowed to fully cure between coats and before flood testing (generally at least 24 hours at 20°C).

Don't apply heat to speed the curing process, as it may cause the membrane to skin while remaining uncured below the skin. Ensure the membrane has adhered to the outlet flanges.

Glass fibre reinforced resins are less flexible than other liquid-applied membranes, so they must have a rigid substrate. Bond breakers may be required at changes of direction.

### Sheet systems

Flexible, welded sheet materials may require priming to aid adhesion. They are typically 1-1.5mm thick and supplied in 900mm wide sheets. They generally need to be installed with 50mm side laps and 50mm end laps.

Joints, junctions and corners are heat welded and the membrane is heat

welded to flange outlets. The wall sheet must overlap the floor sheet upstand.

They have advantages in that there is no drying or curing time, so tiles can be laid immediately and they can span small cracks in the substrate.

### Protect and test

Protect all waterproofing material from damage before laying tiles. Once installed and cured as necessary, and before the tiles are laid, carry out a flood test to ensure that the whole area is fully waterproofed.

### TILING AND GROUTING

Select a tile adhesive that is compatible

with the waterproof membrane, and ensure that tiles and grout are compatible.

Spread the grout diagonally across tiles, forcing it into all joints. Remove excess grout with a damp sponge.

Apply a suitable sealant at the junctions between horizontal and vertical tiles. Also apply additional sealant around the tops and sides of fittings and tap flanges, leaving a drainage slot over the tiles at the bottom edge.

Finally, adding a proprietary clear sealer to grout will reduce moisture absorption.

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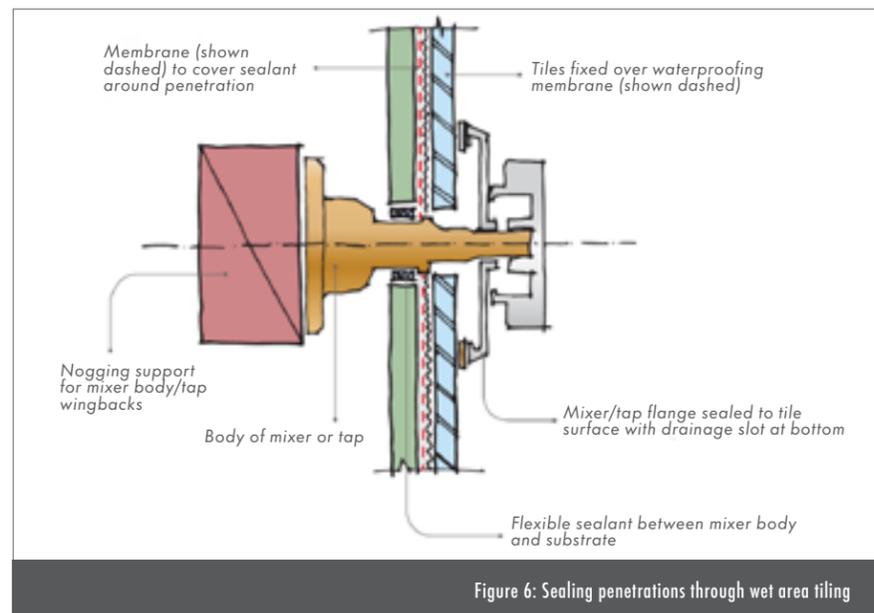


Figure 6: Sealing penetrations through wet area tiling

## PROVE YOUR KNOWLEDGE!

Tick the correct answers below and record what you've learnt in the record of learning on the back page! Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.

- |   |   |   |
|---|---|---|
| <p>4) Why do glass fibre reinforced resins require a rigid substrate?</p> <p>a) Because otherwise they'd be too flexible.</p> <p>b) Because they're less flexible than other liquid-applied membranes.</p> <p>c) Because they're not adhesive enough to stick to a non-rigid substrate.</p> | <p>5) Why should you avoid using heat to speed up the membrane curing process?</p> <p>a) It may cause the membrane to skin while remaining uncured underneath.</p> <p>b) It's a health and safety hazard.</p> <p>c) It creates an ugly finish your client won't like.</p> | <p>6) When should you carry out a flood test?</p> <p>a) Immediately at the start of the job.</p> <p>b) After laying tiles.</p> <p>c) Before laying tiles, once the membrane is fully cured.</p> |
|---|---|---|



# Insuring your building project

Recent events across the country have shown that disaster can strike at any time, with unpredictable consequences. Contract works insurance is one way you can protect your business from the effects of such disasters – here are some of the most important things to be aware of

Contract works insurance is a contractual requirement for most building projects, but it's a good idea to get it for all of your projects. The policy covers accidental loss or damage to the contract works, such as from theft, vandalism, accidental damage, storm, fire and natural disasters such as floods and earthquakes.

It insures the main contractor and the building owner. It also commonly includes all subcontractors under a single policy. Existing structures on the site are not covered, unless you specifically include them. Make sure you also include any materials being supplied by the owner.

### WHEN TO TAKE IT OUT?

You should arrange the policy before any work starts, including earthworks and foundations, as it can be difficult to get cover for projects that have already started.

The policy will end on the earliest of:

- The end date on the policy.
- Practical completion of the work.

- Occupation by the owner (which could be temporary or partial).
- If it's a spec build, when 95% of the build cost has been spent.

Bear in mind that if your project is delayed, arranging an extension to the policy can be more expensive than if you'd simply allowed for extra time from the start (even if you don't end up needing it).

### DOES IT MEET THE REQUIREMENTS SPECIFIED IN YOUR CONTRACT?

New Zealand's most common standard-form building contracts list specific allowances that must be included in contract works insurance, such as for demolition, cost increases and professional fees. Make sure your policy reflects the figures in your contract.

### WHO PAYS THE EXCESS?

This depends on what it says in your contract. Excesses for damage caused by natural disasters can be substantial in some regions, so make sure you have agreed who is responsible for



Contract works insurance covers accidental loss or damage to the contract works, such as from a fire or natural disasters

the excess in these cases.

### WHAT'S NOT COVERED?

As with any insurance, there are things not intended to be covered by the policy. Some common exclusions within contract works insurance include design and workmanship defects, hydrostatic pressure, damage or loss that occurs after work has ceased on site for a certain period of time, consequential losses, gradually occurring damage or scratched glass.

Builtin is New Zealand's trade insurance expert. For more information visit [www.builtininsurance.co.nz](http://www.builtininsurance.co.nz) or contact Ben Rickard at [ben@builtin.co.nz](mailto:ben@builtin.co.nz) or 0800 BUILTIN.

## PROVE YOUR KNOWLEDGE!

Tick the correct answers below and record what you've learnt in the record of learning on the back page! Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.

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|---|---|---|
| <p>7) Who is covered by a contract works insurance policy?</p> <p>a) The main contractor, building owner and (usually) subcontractors.</p> <p>b) Only the main contractor.</p> <p>c) Only the building owner.</p> | <p>8) Why is it a good idea to allow extra time to complete a project in your policy?</p> <p>a) Because you may get a performance bonus for finishing ahead of time.</p> <p>b) Because it can be more expensive to change it at a later date.</p> <p>c) It's not.</p> | <p>9) What may NOT be covered by contract works insurance?</p> <p>a) Earthquakes.</p> <p>b) Theft.</p> <p>c) Scratched glass.</p> |
|---|---|---|



## New building consents at \$2bn for March

### Strong results despite slight dip following February rebound

A total of 2,779 new dwellings were consented in March, including 1,923 houses and 252 apartments. Although that was highest number of new dwellings consented in a March month since 2007, seasonally adjusted the number fell 1.8% following a 17% rise in February.\*

For houses only, the seasonally adjusted number fell 5.2% following a 14% increase in February. The trend for the number of new dwellings consented is showing signs of increasing after falling off at the end of last year.

#### IN THE REGIONS

Compared to March 2016, 14 out of the 16 regions consented more new dwellings in March 2017.

Auckland (up 154 to 942; +20%),

Otago (up 84 to 210; +67%) and Wellington (up 53 to 160; +50%) led the way, with Bay of Plenty, Hawke's Bay, Manawatu-Wanganui, Marlborough, Nelson, Northland, Southland, Taranaki, Tasman, Waikato and West Coast the other regions to consent more new dwellings.

Canterbury (down 29 to 491; -6%) and Gisborne (down 4 to 6; -40%) were the only regions to consent less new dwellings in March 2017 compared to March 2016.

#### VALUE OF NON-RESIDENTIAL CONSENTS REACHES RECORD HIGH

The total value of non-residential building consents issued in March 2017 was \$837m – a record high (up \$377m from March 2016).

The main contributing building types were:

- Offices, administration, and public transport buildings – \$191m (up \$92m from March 2016).
- Hotels, motels, and other short-term accommodation – \$167m (up \$141m, boosted by a consent for the Park Hyatt Hotel in Auckland).
- Hospital, nursing homes, and other health buildings – \$104m (up \$68m).

*\*Seasonal adjustment removes the estimated effect of regular seasonal events, such as summer holidays and pre-Christmas purchasing, from statistical series. This makes figures for adjacent periods more comparable. The seasonally adjusted series are re-estimated monthly in each new month's data becomes available. Figures are therefore subject to revision, with the largest changes normally occurring in the latest months.*

## Diving into new Acceptable Solutions

### Following the replacement of the Fencing of Swimming Pools Act with the Building (Pools) Amendment Act, the Ministry for Business, Innovation and Employment (MBIE) has published two new Acceptable Solutions

The Acceptable Solutions, published in late April, relate to Clause F9 'Means of restricting access to residential pools'. F9/AS1 relates generally to swimming pool barriers, with the new Act requiring that residential pools filled or partly filled with water to a depth of 400mm or more must have means of restricting access for children younger than five years old.

F9/AS1 states that fences surrounding pools should be at least 1,200mm high and have no openings that a 100mm diameter sphere could pass through. Any non-vertical rails, rods or wires forming a part of a pool barrier need to be spaced at least 900mm vertically apart to restrict climbing.

F9/AS1 also outlines separate criteria

for barriers that form part of a property boundary, or barriers that form part of a building's structure, such as walls and doors, as well as criteria for balconies overlooking pools.

The amendment act also stipulates that the installation of a barrier for residential pools requires a building consent.

F9/AS2 relates to covers that may be used on above ground small heated pools, defined as having a water surface area of 5m<sup>2</sup> or smaller and with walls no higher than 760mm.

In addition to publishing the two Acceptable

Solutions, MBIE also published guidance for Territorial Authorities, which are responsible for enforcing residential pool barrier requirements. For more information, visit the Safety of Users section of MBIE's Building Performance website [www.mbie.govt.nz](http://www.mbie.govt.nz)



The Ministry for Business, Innovation and Employment (MBIE) has released two new Acceptable Solutions relating to the fencing and covering of residential pools

## Long-awaited RMA reform passed

### After years of negotiations, the National government's proposed RMA reforms were passed into law in April with support from the Maori Party – a move Environment and Building and Construction Minister Dr Nick Smith said will help increase supply and affordability of housing

The 250-page Resource Legislation Amendment Bill passed its third reading in the house on 6 April and includes 700 clauses affecting the Resource Management Act, Public Works Act, Conservation Act, Reserves Act and the Exclusive Economic Zone (Environmental Effects) Act.

In a speech to the House, Dr Smith said that land supply is at the core of New Zealand's housing problem.

"The cost of building an average 170m<sup>2</sup> home in Auckland has increased from \$120,000 25 years ago to \$360,000 today – a threefold increase. But the cost of the average section over the same period has gone from \$53,000 to \$530,000 – a tenfold increase," he said. "You cannot pretend to be serious about improving the affordability of housing unless you are prepared to address the price of new sections and reform the very Act, the RMA, which governs their creation."

Significant provisions in the bill include:

- National planning standards to reduce complexity and cost (due to take effect in 2019).
- Streamlined planning process to improve responsiveness.
- Discretion for councils to exempt an activity from consents.
- Strengthening of requirements to manage natural hazard risks.
- New ten-day consent category for minor activities.
- New requirements for councils to free up land for housing.
- New provisions to enable stock exclusion from waterways.
- New provisions requiring

decommissioning plans for offshore platforms.

- More generous compensation for land required for public works.
- Better alignment with other Acts such as Reserves, Conservation and EEZ.
- Collaborative planning process to encourage community-led solutions.
- Improved Maori participation arrangements.

From 18 October, councils and consenting authorities will also have a number of new powers allowing them to waive or speed up resource consent applications.

#### BOUNDARY EXEMPTION TO SPEED UP SMALL PROJECTS

Councils must exempt 'boundary activities' from needing a resource consent if neighbours provide written approval of the activity, which could reduce the consenting cost of minor projects such as car ports and decks.

Once an exemption is granted, applicants have five years to carry out the specified activity before it lapses. Councils have ten working days to provide applicants with written notice that their exemption has been approved.

Where the council determines that a resource consent application qualifies as a boundary activity, then the council must provide a boundary exemption and return the resource consent application.

#### MINOR RULE BREACHES EXEMPT FROM CONSENT

From the same date, councils may also waive resource consents where a rule breach is only 'marginal or temporary'. The criteria for deciding whether to provide an exemption includes:

- The activity would be a permitted activity except for a marginal or temporary non-compliance with the requirements, conditions and permissions specified in the RMA, regulations (including any national environmental standard) or any plan or proposed plan for that area
- Any adverse environmental effects of the activity are no different in character, intensity or scale than they would be in the absence of the marginal or temporary non-compliance
- Any adverse effects of the activity on a person are less than minor.

If these criteria are met, the consent authority can provide written notice to the person that their activity is permitted. Unlike boundary exemptions, there is no time limit for this process.

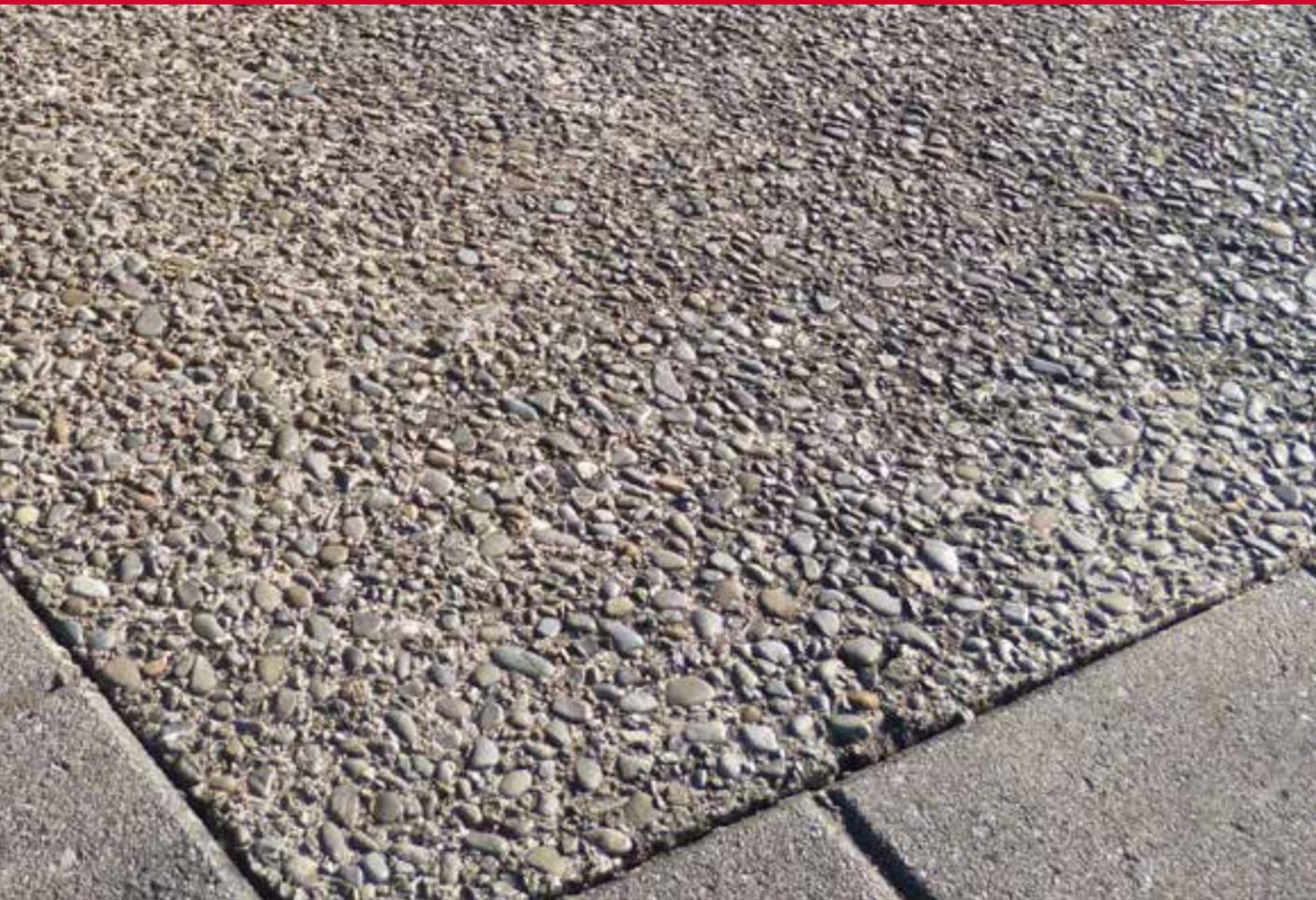
#### TEN-DAY FAST-TRACK PROCESS

Where previously all non-notified resource consent applications were subject to the same 20-working-day process, the RMA has been amended to introduce a new 'fast-track' process for simple resource consent applications that are district land use activities with controlled activity status, if an electronic address for service has been provided.

If other types of consents are also needed as part of a resource consent application, it will not qualify for the fast-track process. The fast-track pathway does not apply to consents required due to infringement of regional rules.

"These reforms will reduce the number of consents required by thousands," Dr Smith said. "This boils down to things like homeowners wanting to build a deck having to consult only with an affected neighbour, and no consent being required for issues that involve minor or temporary rule breaches."

# Exposed aggregate concrete



An exposed aggregate finish reveals the aggregate, resulting in an attractive, low-maintenance and slip-resistant surface

**An exposed aggregate finish is the name given to concrete where the top layer of cement paste has been removed to reveal the aggregate, resulting in an attractive, low-maintenance and slip-resistant surface – here's how to achieve one**

The colour, shape and size of the aggregates (whether rounded or crushed) can be used to create a unique surface, texture and appearance. Talk to your local supplier to discuss the options available.

When selecting the desired aggregate, it's important to consider grading – the size distribution of the aggregate particles.

Most conventional concrete mixes use continuously graded aggregates – a well-distributed mix of all particle sizes. However, these mixes can lead to a non-uniform distribution of aggregates

when exposed. To achieve a uniform exposure, intermediate aggregate sizes are omitted and a gap-graded blend is used.

**An exposed aggregate finish reveals the aggregate, resulting in an attractive, low-maintenance and slip-resistant surface**

## THE MATRIX

If the mix is not tinted with pigments, the colour of fine aggregate dictates the overall matrix colour. For a large project,

it is advisable to stockpile fine and coarse aggregates from a single source to avoid colour variation.

The colour of the cement also affects the the matrix. For more consistent colour, it is advisable to stay with one supplier and cement type.

## ADDING THE AGGREGATES

Aggregates are normally added using one of three methods:

### 1. Integral mixing

In integral mixing, aggregates are added to the mix at the batching plant. The concrete is placed, vibrated,



The waste water used to expose aggregates should not be allowed to enter waterways, as it contains sediment and has a high pH (alkaline) level, which can chemically burn fish, insects and plants

screeded and bull-floated, resulting in approximately 2mm coverage of cement paste over the aggregates.

### 2. Topping mix

With a topping mix, the coloured aggregate is placed only in the upper layer of concrete. The underlying concrete is typically placed to within 25-40mm below the finished level and the topping mix is then placed and consolidated while the underlying concrete is in its plastic phase.

### 3. Seeding the surface

Course aggregates can also be added to freshly poured concrete by sprinkling them over the surface and fully embedding them by tamping and working with a wooden float. This method is known as 'seeding the surface'.

## EXPOSING THE AGGREGATES

The most common method of exposing aggregates is the 'wash-off' method. When the concrete has stiffened sufficiently to support a person whose footprints are no deeper than 2mm, then surface cement paste can be washed off

to expose the aggregate.

A medium bristle broom and continuous water spray is used. The surface should not be over-broomed, as this can result in dislodging the stones and mixing water into the underlying cement paste, which can weaken the surface.

While it is not uncommon to wash off the cement paste with a water blaster, high-water pressure should be avoided as it can damage the surface. Proprietary spray-on retarders can be used to prolong the available working time and give a consistent and predetermined depth of exposure.

These retarders are applied with a backpack sprayer, typically with a long spray boom to reach the centre of the slab.

After curing, a mild acid wash (5% hydrochloric acid) is sometimes applied to remove any remaining cement paste that may dull the appearance of the exposed aggregate. The surface is then thoroughly washed and a sealer applied if desired.

## PROTECTING THE ENVIRONMENT

The wash water used to expose aggregates contains sediment and has a high pH (alkaline) level. If allowed to run into waterways, it can chemically burn fish, insects and plants.

Advice on good practice is explained in the New Zealand Ready Mixed Concrete Association (NZRMCA) document On Site Management of Concrete Washwater, which can be downloaded from [www.nzrmca.org.nz](http://www.nzrmca.org.nz).

The advice is to prevent discharge to waterways by discharging to land or collecting runoff for off-site disposal.

## ABOUT CCANZ

CCANZ is aligned with the New Zealand Master Concrete Placers Association (NZMCPA).

To be a member of the NZMCPA requires a high standard of knowledge and practical experience.

The NZMCPA provides its members leadership, advocacy, professional development, promotion and partnering.

To find out more visit [www.mcpa.org.nz](http://www.mcpa.org.nz)

**New Zealand Master Concrete Placers Association**  
Supporting Placers into the future

# PROVE YOUR KNOWLEDGE!

Tick the correct answers below and record what you've learnt in the record of learning on the back page! Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.

10) How do you achieve a uniform exposure?

- a) Use a 'gap graded' blend.
- b) Use an intermediate aggregate size.
- c) Use a high-pressure water blaster.

11) What is a good rule of thumb before 'washing off' to expose the aggregate?

- a) When the concrete has stiffened sufficiently to support a person whose footprints are no deeper than 2mm.
- b) When the concrete has stiffened sufficiently to support a person whose footprints are no deeper than 4mm.
- c) When the concrete has stiffened sufficiently to support a person so no footprints are left behind.

12) What is the benefit of using a proprietary spray-on retarder?

- a) It's cheaper.
- b) It can be used to prolong the available working time.
- c) There is no benefit.



# Winter is coming!



To avoid harsh winter conditions, plan work that is appropriate to the weather and make sure you have everything you need to keep road time to a minimum

**Anyone who works outside in harsh conditions knows the chilly season takes its toll. With temperatures dropping, it's time to think about protecting yourself and your workers from the elements**

The effects of the cold can range from an increased risk of injury and a reduction in work rate and quality, to a greater potential for damage to plant and equipment. The cold can also affect people's ability to concentrate on the task at hand.

Working in cold temperatures can increase irritability and frustration and may even incline people to take shortcuts to finish faster.

Even moderately cold temperatures can increase the likelihood of workplace incidents.

This is because the body's response to cold causes a decrease in manual dexterity, fingertip sensitivity and muscle strength. The degree of coldness can be underestimated if other factors such as wind chill are not considered.

People working outside should try

to eliminate, or at best isolate, cold hazards. However, eliminating hazards can be difficult. Consider the following controls when working in the cold.

### FOOD, SHELTER AND WELLBEING

Food and liquid intake are essential to maintain body heat and prevent dehydration.

More energy is exerted working in cold conditions, as the body is working hard

to keep warm.

WorkSafe states that if continuous work is carried out in temperatures below 0°C, heated shelters such as cabins or 'smoko' rooms should be made available.

A strict timetable for breaks should be implemented to allow employees to warm up and change clothes if needed.

### TRAINING

Workers and supervisors should be trained to recognise the symptoms of cold exposure, such as hypothermia. Having a trained first aid person is also highly recommended.

Employees should be informed about PPE, safe work practices and emergency procedures in case of injury. While working in the cold, a buddy system should be used to look out for one another.

### PERSONAL PROTECTIVE EQUIPMENT (PPE)

Clothing should be worn in multiple polypropylene, polyester or merino layers, because the air between the layers provides better insulation. The outer layer should be hi-vis, rain and wind-proof and allow for easy opening and removal.

Exposed areas such as the head, hands and feet are just as important as the body. Gloves are an obvious option; however, these can become bulky and

affect a worker's manual handling, so a better option is to provide warm air blowers or insulated handles on tools.

**Clothing should be worn in multiple polypropylene, polyester or merino layers, because the air between the layers provides better insulation. The outer layer should be hi-vis, rain and wind-proof and allow for easy opening and removal**

Buy footwear that is well padded, insulated and made from materials such as leather, which allows the shoes to breathe. A great deal of heat is also lost through the head, a problem compounded by the fact that hard hats do not provide protection against the cold.

If a hard hat is necessary, wear a tightly fitted beanie made of polypropylene or merino underneath.

### EQUIPMENT

The risk of cold injury can be minimised by equipment choice and design. Plant, equipment and tools should be designed so that they can be operated without having to remove items of PPE.

The more complex or fiddly the activity, the greater the likelihood that PPE will

be discarded during the process, which leads to increased risk.

### PLAN

To avoid harsh winter conditions, plan work that is appropriate to the weather. Check weather reports before planning your jobs, so that outside tasks can be done on the best possible day.

If you cannot be adequately protected from the effects of the cold, then work must be suspended or rescheduled to remove the risk of harm.

Following these steps will ensure that winter does not slow you down and keep your team productive, happy and keen.

Want to make sure you're on track with health and safety? Site Safe's expert health and safety advisors can help you figure out what improvements you need by auditing your site. Go to [www.sitesafe.org.nz](http://www.sitesafe.org.nz) to find out more.



The risk of cold injury can be minimised by equipment choice and design

Site Safe is a not-for-profit, membership based organisation that promotes, inspires and supports a culture of health and safety in New Zealand construction.

## PROVE YOUR KNOWLEDGE!

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| <p>13) What is recommended you provide in conditions below 0°?</p> <p>a) Heated 'smoko rooms' or shelter.</p> <p>b) Portable heaters for each worker.</p> <p>c) An open fire to warm up beside.</p> | <p>14) How does cold weather increase the risk of injury?</p> <p>a) The body's response to cold causes a decrease in manual dexterity.</p> <p>b) People are more likely to hurt themselves so they can go home.</p> <p>c) It increases the risk of dehydration.</p> | <p>15) What is NOT recommended as an alternative to gloves as PPE?</p> <p>a) Warm air blowers.</p> <p>b) Insulated handles on tools.</p> <p>c) Hand-warming gel packs.</p> |
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## Marketing for winter



Some builders expect their business to slow down over winter, but people are still thinking about making changes to their homes

### How do people in your region feel once winter hits? Do they 'rug up' against the cold leaking through poorly fitting windows, complaining about the shortcomings of their home while dreaming of a warm, dry, comfortable room where all the family gathers?

Changes in the season bring changes to your marketplace. Being aware of these changes and positioning your business to best take advantage of them is a good way to get more work. Here are several things you can do to warm up your advertising in the coming winter months.

#### GET INSIDE THEIR HEAD

Imagine how easy your advertising would be if you knew what your potential client was thinking. Say you knew that in July they dreamed of getting a more functional kitchen, so the family could enjoy creating winter meals together, or doing something about the sunless rear of the house.

On the other hand, what if you knew in August that as they climbed the ladder again to clean out the gutters, they were thinking, "I can't keep doing this. We've got to resurrect that new home dream".

If you knew these thoughts, your advertising message would be simple. In July you'd say something like 'Is your kitchen no longer family friendly?' and shape a message around kitchen remodeling. In August your line could be, 'Here's how to get started on that new house dream', and outline how accommodating you are for people starting the process.

To best understand the needs of your

customers, you need to put yourself in their shoes and get the feel of what it's like living in their homes.

Try to imagine their feelings when they experience condensation running down the windows, or their frustrations when struggling to create a welcoming environment for family and friends or to accommodate a growing family.

Or sense the frustration of not knowing where to start with a new home project.

The better you can 'sense' what your potential clients are thinking and feeling, the easier it is to target a message that will be noticed.

#### REVIEW YOUR SERVICE OFFERINGS

Winter weather brings out the worst in houses. Summer inconveniences become obstacles in winter, indoor living accentuates the desire for space and cold nights accentuate poor design.

Some builders expect their business to slow down over winter, but people are still thinking about making changes to their homes – small and large – from immediate work on overdue maintenance now clearly obvious, to starting a major upgrade or a new build.

Winter can be a great time for growing your business, if you position yourself correctly. Maybe you accept a number of smaller jobs to keep the team busy. While these can be fiddly, if they are priced correctly (factoring in a higher share of management and administration costs), they can be a good source of new business.

At each new job, you also get an opportunity for low-cost advertising – you can erect your sign outside the property, drop flyers to homes in the immediate neighbourhood, ask for referrals from your new customer, gain a new testimonial and add your new customer to your database for future contact.

#### POWERFUL OFFERS

When customers are ready to purchase, they will almost invariably do so from the company they think has the best to

offer. However, what you offer goes well beyond simply what you can build.

You can also offer things that provide additional value for your customers at low cost to you, such as an upgrade or your availability to do the work now, or the quality of your workmanship and guaranteed back-up should something go wrong.

For example, "free installation" and "free appliance upgrade" means that your customer gets more than s/he pays for. "Available now" means they get the benefits sooner. "Personal guarantee" means peace of mind, while "fully qualified and/or registered tradespeople" means an assurance of integrity and "25 years experience" suggests good advice and quality.

Think about what it is your target customer would consider as great value and come up with a list of offers you could make. Here are some suggestions:

- FREE heated mirror with every bathroom renovation (ask your electrician to supply at cost).
- SAVE \$300 on specialist interior and colour consultation (ask your interior consultant to consider the reduction as a marketing cost against future work).
- FREE lounge suite with every new home confirmed by November (look

for an arrangement with a supplier who also supplies other homewares).

#### INVEST IN ONLINE ADVERTISING

There is no question that advertising online is powerful and that astute building businesses are growing their online presence.

While you can readily publicise your business on social media sites by uploading photos and videos of interest (a good place to start is Facebook and Pinterest), investing in and marketing a good website is essential to creating a great presence.

If you don't have a website, make sure that you build one with a clear picture of your target customer (check out [www.websitesforbuilders.co.nz](http://www.websitesforbuilders.co.nz) for help, which is run by The Successful Builder's digital marketing manager Felicity Owen).

#### MEASURE THE RESULTS

Whenever you do any advertising, make sure that you measure the results. The best way to do this is to record the source of every new enquiry you get, after you have asked how they found out about you.

Analyse these at the end of every month (or quarter). I assure you that if you do this routinely, you will learn much about your business and your market. You will find out what works and what doesn't, helping you save time, effort and money.

Graeme Owen, based in Auckland, is a builders' business coach. Since 2006, he has helped builders get off the tools, make decent money, and free up time for family, fishing, and enjoying sports. [www.thesuccessfulbuilder.com](http://www.thesuccessfulbuilder.com)

## PROVE YOUR KNOWLEDGE!

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|--|---|--|
| <p><b>16)</b> How can you measure the results of your advertising?</p> <p>a) Record the source of every new enquiry and analyse the results monthly or quarterly.</p> <p>b) You can't – just advertise everywhere and hope for the best.</p> <p>c) By your profit at year end.</p> | <p><b>17)</b> What is NOT suggested as a way to offer extra value to your customers?</p> <p>a) Undercutting everyone else in the market.</p> <p>b) Offer free product installations.</p> <p>c) Promote your immediate availability.</p> | <p><b>18)</b> What is a benefit of taking on smaller jobs to keep the team busy?</p> <p>a) It's a chance for low-cost advertising.</p> <p>b) They're more lucrative than bigger jobs.</p> <p>c) They require less supervision.</p> |
|--|---|--|



# Know your boundaries!

**SRB** Saunders Robinson Brown Lawyers



Fences over 2.5m high require a building consent

## This month we look at what builders' legal obligations are in relation to residential fencing, what the consequences are of non-compliance and some key points to take home

Fencing disputes between neighbours are common and normally arise in relation to the cost, repair and location of fences. Fencing requirements between neighbours, and how to resolve disputes, are primarily governed by the Fencing Act 1978.

Additionally, a builder must meet their legal requirements under the Building Act 2004 when they have entered into a contract to build a fence for an owner. This is on the basis that building a fence constitutes 'building work' under the Building Act 2004 and such a contract to build a fence would result in a 'residential building contract'.

### BUILDERS' LEGAL OBLIGATIONS INCLUDE THE FOLLOWING:

#### 1. Before entering into the contract Providing disclosure information and a checklist.

- If a client requests, or the fence costs \$30,000 or more, a builder must provide their client with disclosure information and

a checklist before entering into the contract.

- Disclosure information will provide information to a client about the builder. A checklist will provide guidance to a client on what matters he/she should take into consideration when entering into the contract to build the fence.

#### 2. Form and content of a residential building contract:

- If the fence costs \$30,000 or more, the contract to build the fence must be in writing, dated and comply with any regulations made under the Building Act 2004.

#### 3. During the contract

The builder warrants to the client that:

- The building work will be carried out in a proper and competent manner, and in accordance with any requirements set out in the contract and any building consents.

The materials supplied for the building work will be fit for purpose and, unless otherwise stated, new.

- The building work will comply with all legal requirements.

- The building work will be carried out with reasonable care and skill and completed by the date specified. If no date is specified, the building work must be carried out within a reasonable time frame.

- The building work will be reasonably fit for its intended purpose of a fence.

- The building work will be reasonably fit for its intended purpose of a fence.

#### 4. After the contract is completed

Once the fence is built, the builder must provide certain information and documentation in writing to the client:

- The purpose of this information is to ensure that the owner and future owners of the fence have knowledge of ongoing maintenance requirements and who carried out the building work.

- This information may include information on insurance, maintenance and guarantees.

If the building work carried out on the fence is defective and able to be remedied, the builder must remedy the defect if the client notifies them within 12 months from the completion of the building work.

### CONSEQUENCES OF NON-COMPLIANCE WITH LEGAL OBLIGATIONS

The consequences of a builder failing to comply with the legal requirements above are wide ranging and may include liability for offences, damages or compensation.

#### 5. Offences

Failing to comply with any of the below are considered offences under the Building Act 2004:

- The content and form requirements of the residential building contract (ie, enters into an unwritten contract, where it must be written).
- The requirement to provide disclosure information and a checklist, before the residential contract is entered into.
- The requirement to provide certain information and documentation, after the residential contract is completed.

Where a builder has failed to comply with these requirements and commits an offence, he/she will be liable to a fine

not exceeding \$2,000.

#### 6. Damages and/or compensation:

Where a builder has breached any warranty owed to a client, the client may require the builder to remedy the breach (ie, repairing the work or replacing defective materials).

If the builder refuses to, or neglects to do so within a reasonable period, a client may claim costs for someone else to complete the repair work or cancel the contract. If the breach of the warranty cannot be remedied or is substantial, the client may receive compensation for the reduction in value or cancel the contract.

### Fencing requirements between neighbours, and how to resolve disputes, are primarily governed by the Fencing Act 1978

Despite receiving remedies for a breach of warranty or defect, a client may in some circumstances still be entitled to claim damages for loss or damage resulting from the defect or breach of warranty.

#### FURTHER THINGS TO NOTE

- A building consent is required for a fence exceeding 2.5 metres in height.
- A builder must still ensure the building work in relation to the fence complies with the Building Code's requirements and any regulations, to the extent required by the Building Act 2004.

- A person's rights under the Fair Trading Act 1986 or Consumer Guarantees Act 1993 are not affected by a residential building contract.

#### GETTING TO THE POINT

Contracting to build a residential fence will constitute a residential building contract under the Building Act 2004. As such, a builder will owe a number of legal obligations.

This is important to remember, as these obligations and requirements are far reaching and can have wide-ranging consequences in the event of non-compliance.

Before contracting to build a fence for someone, ensure you are clear about the requirements and obligations owed. Being clear on these from the outset will help avoid potential non-compliance down the track.

If you are ever unsure about your obligations and legal requirements when contracting to build someone a fence, or worried that you may have failed to comply with the requirements, get legal advice from a professional. This could save time and costs later.

The author of this article, Rebecca Holt, is a solicitor in the litigation team at Saunders Robinson Brown. She advises clients on broad litigation matters, including disputes between builders and owners, and can be contacted on **03 377 4470** or [rebecca.holt@srblaw.co.nz](mailto:rebecca.holt@srblaw.co.nz).

## PROVE YOUR KNOWLEDGE!

Tick the correct answers below and record what you've learnt in the record of learning on the back page! Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.

19) When are you required to remedy a defective fence?

- When the defect creates a hazard for residents.
- When notified by the client within 12 months of the project's completion.
- Builders are responsible for any essential repairs over a fence's entire lifetime.

20) When building a fence, under what circumstances are you required to provide a client with a disclosure agreement and checklist?

- If a client requests it, or if the fence costs \$30,000 or more.
- When the fence separates more than two sections.
- Fences always require a disclosure agreement and checklist.

21) When is a building consent required for a fence?

- When it exceeds 2.5m in height.
- When it is constructed from materials other than timber.
- When it will be painted with bright colours.



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