

HEY... THANKS!

After what's been a 'unique' 18 months, we just wanted to say thanks for everything.

Thanks for your support. Thanks for trading with us.
Thanks for being good sorts.

HAVE A GREAT BREAK!





PlaceMakers

Together we're building New Zealand

FOREWORD VIEW FROM THE GM OPERATIONS

MOVING WITH THE TIMES



Here at PlaceMakers,
we firmly believe that
getting NZ vaccinated is
key to improving many
of the challenges builders
are currently facing around
the country

Between material shortages, record-breaking new home consents and navigating the new world of vaccination status, it's a challenging, but fascinating, time to be in the industry

Here at PlaceMakers, we firmly believe that getting NZ vaccinated is key to improving many of the challenges builders are currently facing around the country – especially those in Auckland, where many are trying to catch up on more than a month of downtime in Level 4, the precariousness of working in Level 3 and the worst delivery times in the country.

Read more about what we are doing to get staff and customers vaccinated on page 36. If you're having trouble finding time to get your jab, or are feeling nervous about it, talk to your local PlaceMakers team – we will do our best to point you in the right direction.

When it comes to the delays caused by material shortages, it's interesting to see how builders around the country – and their clients – are coping. While one of our Queenstown customers says clients are now 'selling themselves' to him, our Auckland-based interviewee reckons the supercity market remains competitive. Read their feedback on page 3.

Despite these challenges, the incredible building boom continues, with consents increasing a massive 25% in the year to September. Meanwhile, MBIE is publishing new guidance for our ever-evolving industry. In this issue, we feature the new Code of Ethics for LBPs, much-anticipated tiny home guidance and the building law reform, which is inching its way into effect.

Law firm Duncan Cotterill uses a recent court case to reiterate the implications of implied warranties, and Codewords highlights the benefits of building universal design homes now, instead of retrofitting later.

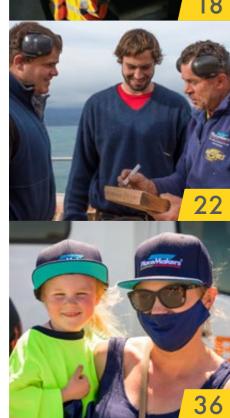
Despite this incredibly busy time, I hope you all enjoy a well-deserved break over the holidays and come back refreshed and ready for another busy year!

Gary Woodhouse

General Manager Operations

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BUILDERS BUSINESS

MANAGING MATERIAL SHORTAGES

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. How are you handling delays caused by material shortages?

Firm: Fixation Builders Limited Interviewee: Darren Robinson Role: Owner / Director Location: Queenstown Staff: 11

Basically, I'm just doing my best to work with the delays, because I think all you can do is be adaptable in this type of environment. Gone are the days when you can just swing by PlaceMakers and pick up a sheet of plywood, so, as soon as I sign a contract with a client, I order the materials.

We've moved to a charge-up model, which has been well received and seems like a win-win in the current environment where price increases are happening nearly every month. It allows us to charge the client as the materials come in, which helps get ahead of future price increases.

There are definitely long lead times at the moment; some can be 30 weeks or more, but as long as they're well communicated - and PlaceMakers has been doing a great job at this – we can work that into our planning. If the lead times ever changed significantly, that would definitely throw things out, but so far, so good.

It's an interesting time to be in building in general. When I started my company six years ago, I was out selling myself to clients. These days, demand is so high that it's more like clients are selling themselves to me.

Firm: Glenn Grant Builders Interviewee: Glenn Grant Role: Owner / Director Location: Nelson Staff: 6

Well, it's safe to say that we've had to go through a short and steep learning curve in order to deal with all the uncertainty. These days, it's all about planning ahead and setting realistic client expectations. Even then, nothing seems certain.

Until now, clients have been pretty good, but as the months drag on and the shortages that we didn't see coming get longer and longer, they get understandably annoyed. There's a roof we're putting on today that's had a tarp over it for a month, which obviously isn't ideal. What it really means is that my job is a lot about putting out fires these days, and making sure my guys on site aren't getting hammered with questions they can't answer, and answers they can't control.

To keep some things moving, we've also had to look at changing up materials due to wait times that are just too long. This can work, but isn't a straightforward option, as it involves a significant amount of research to ensure the substitute material will perform equally, isn't too different in price and, of course, is actually available! And, most importantly, the client needs to agree to the change, which understandably frustrates some of them. Then you need to get the council to approve the substitution.

Another thing we've done is switched to a charge-up model. We've always used one for renovations, because you never know what you'll find, but now we use it for everything including new builds, because you never know where prices will be in a year's time!

Firm: Shore Build Limited Interviewee: Ash Shore Role: Owner / Director **Location:** Auckland Staff: 24

It's certainly been an interesting time. For us, material shortages and delays have been a reality for all of 2021. It started with cladding, then cedar products, the Abodo, then powdercoat. We got to a point where we were calling every supplier in town to get any bit of powdercoat we could to finish a job.

It's had a major impact on our work programme, which means our overhead costs are just going through the roof. We still have two projects on the go that were priced and confirmed just before lockdown - one residential project and one commercial school job – both at fixed prices.

The residential project would have normally been done six months ago, but we're still waiting on some materials to finish it up. The commercial one was always a three-year project and we allowed for some escalation in prices, but never this much. To ensure we can finish this job and not be in the red, we've built an enclosure on site to house the materials we've pre-ordered to avoid additional cost increases and delays.

Despite all the uncertainty, it's still competitive in Auckland and clients are looking for some level of assurance when it comes to price, so we do our best. We lock in as much as we can through the carpentry component and pre-ordering materials, but there has to be some fluctuation for sub-trades and other unknowns.

PLACEMAKERS NEWS

KS BUILDERS SAYS FAREWELL TO FAFFING

With jobs through to 2022 on its books, Auckland-based KS Builders doesn't have extra time to invest in the admin side of things, which is why company accounts guru Sarah Smith loves working with PlaceMakers – its Trade Portal makes her job easy as!

fter more than a decade in the building industry, KS Builders owners Kiel and Sarah Smith have seen their fair share of changes – both good and bad. While some diehards might lament the loss of bartering over the price of goods in the yard, Sarah says PlaceMakers early adoption of smart technology has done wonders for KS Builders' 12-person team.

"While there's no doubt demand has ramped up in the past few years, we've always been busy, so any tool that increases efficiency is good for our business," she says.

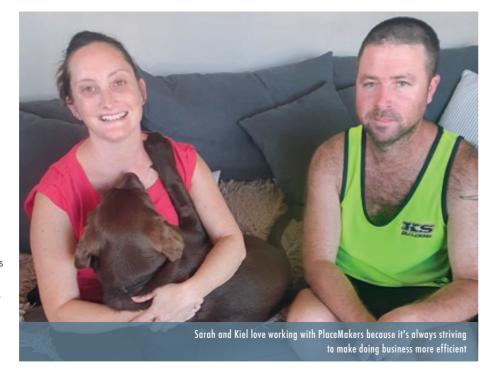
"Since PlaceMakers introduced the Trade Portal and Trade App last year, its capabilities have just gotten better and better!"

Her husband Kiel, who started the business in 2008, runs the crew on the ground and says he uses the Trade App for every function, every day.

"It's ridiculously handy," says Sarah.
"He can check what's available, how
much it costs, how much stock is available
and when it could be on site.

"He can order directly through the App, and know that it's going to turn up – either via truck or delivered in person by Mikala, his awesome PlaceMakers Account Manager."

Sarah reckons it's the unique combination of in-person and digital that really sets PlaceMakers apart in Kiel's books.



"Kiel still gets the interaction and in-person updates on price increases or stock issues from Mikala, but also benefits from the instantaneous information and turnaround offered by the app."

A SERIOUSLY GOOD ONLINE RELATIONSHIP

As the one looking after the admin side of things, Sarah's relationship with PlaceMakers is online-only – which is exactly how she likes it.

"It's seriously so good. On Kiel's side, he puts in an order, we get the confirmation and, when the materials are ready, they're delivered," she says.

"At that point, it becomes my domain. The invoice goes into Xero, it takes me two seconds to check it against the order, I click 'approve' and it's done! No faffing about copying and pasting information from invoices coming in through email or on excel sheets – it's so easy!"

Sarah reckons the Trade Portal's most recent upgrade – the ability to integrate invoices into a business' accounting

system – is the best improvement to date, saving her hours per month.

"It makes things so simple. In fact, I really dislike dealing with companies that don't offer it," she admits. "It's a massive advantage, to the point that I make it known to Kiel that I'd much prefer he order from PlaceMakers than anywhere else!"

Sarah reckons the
Trade Portal's most
recent upgrade - the
ability to integrate
invoices into a business'
accounting system - is
the best improvement to
date, saving her hours
per month

Asked whether it was tricky to integrate initially, Sarah says if she can do it, anyone can.

It's full-on but it's a great industry to be in, and working with good people and innovative suppliers such as PlaceMakers is a big part of that

"PlaceMakers sent out an email with instructions. I followed them and it's worked perfectly ever since. Definitely worth the small amount of time it took!"

PART OF THE TEAM

Sarah says it's great to feel like a supplier is on your team, helping make life easier, especially in this environment.

"We are normally a labour-only business that contracts to housing companies, but since Covid, everyone wants home improvement jobs and we've taken on a few," she explains.

"With costs increasing so frequently these days, if we still had to email suppliers for quotes, they would probably be out of date by the time they arrived!

"With the PlaceMakers App, we can put together a good estimate relatively quickly and, if the client is keen, lock it in and let them know when we can start based on our workload and the estimated material delivery."

Having good supplier relationships is part of what makes KS Builders a great place to work, says Sarah.

"Given the trade shortage, we felt super lucky to attract three great new recruits recently.

"I think it's because we have a reputation for paying well and on time, and for being flexible – something that's more important than ever when you're in lockdown!"

KS builders also believes in investing in industry newcomers, with a steady flow of apprentices on the books.

"We've been really lucky to retain most of them and currently have our first female apprentice on board."

With three LBPs, six qualified builders (as of January 2022) and two apprentices, Sarah says the company is well stocked to handle the incredible volume of work heading their way in the coming year.

"It's full-on but it's a great industry to be in, and working with good people and innovative suppliers such as PlaceMakers is a big part of that."



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PLACEMAKERS APPRENTICE CREW



FROM THE GROUND UP

Our apprentice column provides an opportunity for PAC members to share their views, experiences and ideas, while providing insight for builders who employ them. This month's question is:

What do you find the most challenging aspect of being an apprentice in this current environment?

2_{nd} YEAR

Name: John Location: Cromwell

Probably the most challenging aspect of our work right now is the supply delays – we'll have days when we're so short on supplies there's not enough work for me! Thankfully this seems to have eased up a little as we haven't had many of those in the last month or so, but there's been a couple of times when I've gone away and scaffolded for a week as there was enough work for my boss, but not for me.

We'll have days when
we're so short on supplies
there's not enough work
for me

Another thing that was a bit of a challenge was working during level 3 lockdown. It meant we had to manage the project in a lot more detail, and a week in advance, as we weren't allowed to be on site at the same time as the sparkies or plumbers.

There has been a bit of pressure to make up time when we do get supplies – especially if there's been a delay we're trying to make up for it – but, in the grand scheme of things, it's not too bad.

Name: Ryan
Location: Dunedin

Ah man, supply issues is a big one!
The lack of materials makes working so much more difficult. Even personally –
I'm trying to build my own house and it's really tricky to know what materials to use with supply delays in so many areas.

Work wise, it's the same issues. We're currently working on my boss' house and, although he's been able to plan ahead for most things, I can see him starting to stress out due to the lack of supplies – although at least with a new house build, it's a bit more manageable because you can try and plan in advance.

The real impact comes with renovation jobs, because you don't always know what you'll need until you open things up, so it's harder to plan ahead with those. The good thing for me is that my boss deals with most of those problem areas and just tells me what to do when he's made a decision!

Living in Dunedin, I think we've been a bit insulated from Covid-19, so we've mostly been able to work on or in client's houses as normal. No one so far has kicked up a fuss about vaccination status or anything like that, although one did implement a rotation system, so we had to book in on certain days to finish the job. But, as I said, my boss plans ahead and I just turn up and work.

3rd YEAR

Name: Gareth

Location: Central Hawke's Bay

The main thing that affects our jobs is the material shortage, but that's a little bit above my pay grade! We had one example where

grade! We had one example where we had to wait six to eight weeks for a supply of iron to turn up for a shed we're working on – the client wanted a particular colour and there was a delay getting that in.

We've had to pull a few weekends here and there to catch up on jobs once materials do arrive. I worked over Labour Day and I'll have to do a few Saturdays before Christmas, but it won't be too much, just a few to keep on top of jobs when they start to pile up.

Having said that, we're doing smaller jobs like bathrooms and other renovations and the local supplier has been pretty good with most of the stuff we need.

Covid-19 has been annoying, especially as we've had to wear masks for long periods of time, but most of the time we're working on our own anyway, so it's been reasonably good in that respect. One thing that has become a bit more challenging is the amount of protocols – we've had a lot more toolbox meetings to make sure everything is running in line with Covid-19 requirements.

PAC NEWS

PlaceMakers A P P R E N T I C E •• C R E W —

SEPT/OCT APPRENTICE OF THE MONTH

Te Rapa first year apprentice scoops \$250 Noel Leeming E-Gift card!

ayson Stewart might be a first-year apprentice, but he's already had six years' experience in the trade – which helped him face down the challenge of ensuring sub-contractors abide by his site's health and safety requirements, including Covid-19 protocols.

Jayson, who works for DLP Construction in Hamilton, says he approached the situation with a cool and rational head.

"We often work with sub-contractors and dairy factories who have their own health and safety protocols, so getting them on board can sometimes be tricky. But I just tried to stay calm and explain how we can work together to get the job done safely within collaborative health and safety guidelines."

Everyone was really happy with the result, as we managed to complete the project safely and within the timeframe

Dairy factories operate under a permitto-work system, explains Jayson, which means the factory and operators must agree on work safe systems before anything can commence. This creates the potential for tension and interpersonal flare-ups, but Jayson says that, luckily, this wasn't the case this time. "Agreeing on safe systems first makes it easier to have everyone on the same wavelength during tasks. But in saying that, the subbies on this job were really cooperative and happy with the way we wanted the project to run."

The job was to install a high-level walkway in a Fonterra cool store, which Jayson says went off without a hitch. In addition to the health and safety responsibilities, he was tasked with keeping the sub-contractors on track with timelines and assisting where he could.

"Everyone was really happy with the result, as we managed to complete the project safely and within the timeframe."

Once everyone was on board and the walkway had been installed, Jayson's next responsibility was a little more straightforward – although there was some important admin work to carry out.

"I generally just sorted out getting the product inside the cool store and looked after all the health and safety of the project."

Jayson says he learned a lot from the successful completion of the job.

"Everyone has their own methods and it's usually best to collaborate to come up with the best solution and get the right results."

Each winner of Apprentice of the Month gets the chance to be named The Novice Who Nailed It, receive ultimate bragging rights and a prize valued of over \$500 (incl. GST). ■



THE NOVICE WHO NAILED IT

Each Apprentice of the Month winner will go into the selection to be named "The Novice who Nailed It". The overall winner will be announced in December 2021. They will receive the ultimate bragging rights and...

A PRIZE VALUED OVER \$500 (incl GST).

CABOT'S AQUADECK®

WHAT'S ON

PLACEMAKERS PRODUCT PICKS

Cabot's







PlaceMakers has your client's deck covered this summer with Cabot's AquaDeck®.

This highly durable, low-odour, water-based decking oil is lightly pigmented and has been designed to enhance and protect the natural look of exterior timber. It's hard-wearing and lasts two times longer than other oil-based decking oils. Cabot's AquaDeck is perfect to use on decks, fences/gates, garden furniture and pergolas. Base colours available instore include Amber, Burnt Walnut, Kwila, Rustic Oak and Teak.

For best results, ensure new bare timber is prepared with the Cabot's New Timber Prep, clean the deck with Cabot's Deck Clean and then coat with Cabot's AquaDeck. Decking accessories are also available.



Looking for a good quality, value-for-money work boot to get the job started? Look no further! Magnum Sitemaster Slip-On features composite toecap and anti-penetration plate for a lightweight work boot that gets the job done.

The Sitemaster Slip-On is suited to every job, offering a durable, water-resistant full grain leather upper and stitched rubber toe bumper for added protection and durability, and fast-licking lining for moisture management and comfort. They also feature a PU insole and high-density midsole for comfort and long-lasting support. High traction rubber outsole with ladder grips also help keep your feet firmly planted. Certified to: AS 2210.3:2019 S3 HRO SRC.

Apprentices, students, seasonal workers or just getting started in the job? This value-for-money quality work boot is for you.





Shou sugi ban, also called yakisuai, is a traditional Japanese fire method of conditioning timber. Devised 500-600 years ago to make wood less susceptible to fire, keep away insects and rot, and improve the timber's life span. The method involves

charring the face of naturally durable timber at 1060°C.

The resulting charred timber cladding is long-lasting and hauntingly beautiful. Shou sugi ban significantly improves durability while reducing timber maintenance, as the char repels water and protects the timber from rain, decay, and UV. Over time, the char slowly erodes away, revealing the stunning textural timber grain below.



Summer's here, time to get painting. It's never been easier than with Levene® exterior paints, made in New Zealand for our tough weather conditions. Levene® Exterior Broadwall has a 15-year guarantee*. Durable, long-lasting and with UV protection, it is touch dry in 20 minutes. It's available in a low sheen and semi-gloss, and tintable to the Dulux® Colours of New Zealand®

Top the house off with Levene® Roof paint, which offers a 10-year guarantee*, comes in popular Colorsteel® colours and is also tintable. Finish off the look with Levene® Fence Finish available in a selection of popular colours.

Made for the trade, Levene® is only available at PlaceMakers.

*Refer to product label for full conditions. This guarantee does not limit and may not necessarily exceed your rights under the Consumer Guarantees Act 1993



It's time for your clients to make the conversion to keyless entry with the Windsor Smart Entry range.

They'll never need to scramble for keys again, with five different locking options including Wi-Fi (via bridge) and Bluetooth. Multiple user pin-codes (including temporary codes) can be programmed and easily sent with a simple text message. Card access is also

available with a backup mechanical keyway for peace of mind. Versatility has been accommodated, as the range is suitable for use on aluminium and wooden doors. Available in three stocked finishes - Matt Black, Graphite Nickel, and Stainless Steel - there's a suitable option for any home.



Thermakraft is dedicated to four key initiatives to help reduce its carbon footprint and enable the development of more sustainable buildings.

1. Energy saving from day one, and every day after

Thermakraft products meet the New Zealand Building Code clause B2 for durability of 50 years. This robust longevity supports the conservation of resources, the reduction of waste and the environmental impacts of maintenance, repair and replacement.

2. Making high-performing products from waste materials

Thermakraft manufactures Supercourse 500 in New Zealand from soft plastic waste, including packaging waste collected from its factory.



There are 30 tonnes of waste generated by the manufacture of Covertek and 1 tonne of packaging waste is collected from the Thermakraft factory and recycled

The 312 tonnes of soft plastic waste is used to manufacture Supercourse 500 – that's 343 tonnes saved from landfill.

Next year Thermakraft are on track to divert over 400 tonnes of waste.



4. Working towards carbon-neutral products

Thermakraft fully supports New Zealand's commitment to being carbon neutral by 2050 and values the key role the building industry will play in achieving this. Thermakraft has started the journey and will continue to innovate and contribute to the reduction of embodied carbon and greenhouse gas emissions and increase the energy efficiency of its building products.

To learn more about its sustainability go to thermakraft.co.nz/planet-passionate.

STRATA /

underlay saves you time and money. The full range of Strata flooring by Woodland Lifestyle is available at PlaceMakers nationwide.

Taking easy installation to

the next level, PlaceMakers

boasts the ease of attached

underlay. With the addition

upgraded 100%-waterproof

of four new colours, the

Strata range excels at

environment.

reducing noise transfer

and has an antimicrobial

protection layer, providing

you with a quieter, healthier

Simplifying installation and

procurement, attached

Strata commercial range now

MBIE

LBP CODE OF ETHICS INTRODUCED

On 26 October 2021 a Code of Ethics was introduced by Government for Licensed Building Practitioners (LBPs), with a one-year transition period before it becomes enforceable

ccording to MBIE, the Code of Ethics will ensure high standards are maintained in the industry, while giving the public more confidence that Licensed Building Practitioners (LBPs) are reputable and operate ethically. The majority of LBPs already meet these standards, but the Code of Ethics will hold those who do not to account.

From 26 October 2022, the Code of Ethics becomes enforceable by the Building Practitioners Board.

This provides LBPs a year to understand their obligations. MBIE has developed guidance which includes explanations and practical examples of how the Code of Ethics can be applied. Additional resources will become available over the next year.

WHAT ARE THE PRINCIPLES OF THE CODE OF ETHICS?

From 26 October 2022, LBPs will have the following obligations:

- safety
- on a building site.

• Avoid harming the environment.

2. Act within the law

- Comply with the law.
- Report breaches of the law.

3. Take responsibility for your actions

- Know what building work you are allowed to do.
- Explain risks to your client.
- Inform and educate your client.
- Be accountable for building work carried out by you, or someone under your supervision.
- Advise clients of any delays as soon as they become apparent
- Act in your client's interests.
- Follow your client's instructions.

- Price work fairly and reasonably.
 - Declare and manage actual or potential conflicts of interest appropriately.
 - Maintain confidentiality of client details unless there is good reason for sharing information.
 - Acknowledge and respect the cultural norms and values of your clients and colleagues.
 - Conduct your business in a methodical and responsible manner.

CODE OF ETHICS GUIDANCE

The guidance document helps to navigate the Code of Ethics by providing explanations and practical examples of how an LBP's behaviour can align with their obligations. This can be found under 'assets' on lbp.govt.nz.

MORE RESOURCES TO COME

MBIE will develop additional educational resources to help ensure everyone understands what they will need to do. These are expected to be available from December 2021 onwards.

BREACHING THE CODE OF ETHICS

If LBPs do not comply with their obligations, a complaint can be made against them which may result in disciplinary action by the Building Practitioners Board. Details on these grounds and a complaint form can be found under 'complaints and past decisions' on lbp.govt.nz

The Code of Ethics is not enforceable by the Building Practitioners Board until 26 October 2022. This means that complaints about someone breaching the Code of Ethics can only be made if the breach takes place from 26 October 2022.





The first of our "new look" sealants, foams and adhesives - available now in PlaceMakers stores nationwide!



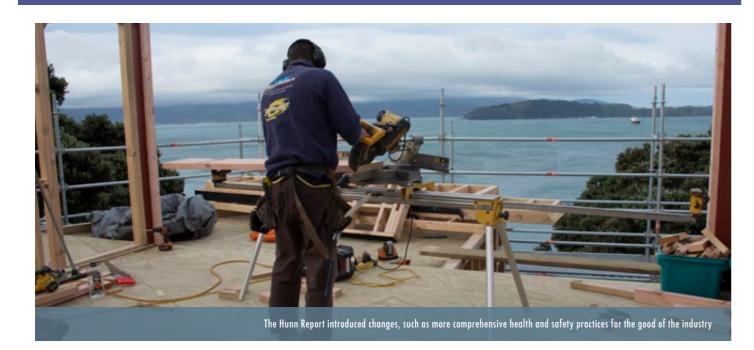




MBIE



THE HISTORY OF THE LBP SCHEME - PART 4



The fourth article in the series looking at the history of the Licensed Building Practitioners Scheme with MBIE's Bruce Duggan

n the years following the release of the Hunn Report in 2002 and the introduction of the Building Act 2004, many changes were made for the good of our industry and the workers employed

While some changes were not recognised as being the result of the leaky building saga, it all added up to a long-term goal – better, safer homes.

In this article, we take a look at some of those changes, and the impacts they had.

- 1. Face sealed cladding systems were removed from the Acceptable Solutions. This meant that, if someone still wished to use this form of cladding, they had to prove it would keep moisture out of the building for at least the period set out in the Building Code clause B2 (Durability).
- 2. Health began to take more prominence in the 'health and safety' message. There is now better understanding of the underlying

health risks of working around mould uncovered in framing during alterations and leaky building remediation, and the organic solvent carrier systems used to deliver the preservative compounds into the timber in LOSP-treated timber.

Clear delineation of responsibilities were created by the NZ Standards 3900 series of construction contracts, which provided much of the definition of who was responsible for what. Gone were the days of 'just doing it the way we always had' onsite if you didn't think the plans were correct or 'buildable'.

Now, the person that didn't follow the plans was deemed to be taking ownership of any deviation from those plans. Why would a builder want to do that, especially when their insurance policy wouldn't cover them for it, while the designer's insurance covered their design?

4. There were increased requirements

for critical information to be provided in the site documents – what used to be a five-page set of plans for a basic house suddenly became eighteen pages or more! This may not seem like a good change, especially the extra time needed at the design stage, but it removed the need for the Territorial Authority and the builder to interpret what the designer intended.

> The Hunn report grossly underestimated the potential cost of the problem at \$240m. It's not just the obvious cost of the repairs that need to be considered. There are also huge legal costs, medical

and mental health costs from framing cavity. living in and owning these sub-standard houses

- 5. Explanatory notes in plain English were to be added to the Building Act and Code, and this led into other areas. A great example would be Building Performance's 230page Building work that does not require a building consent guide that provides an easy, concise and reliable look at examples of how to correctly interpret Schedule 1 of the Building Act.
- Territorial Authorities had to identify instances where District Plan requirements were influencing the planning and site coverage of multi-unit housing projects. This was a lesson from the Canadian leaky condo syndrome, found a decade earlier than our leaky buildings, which was covered in the Barrett Commission report released in 1998. It found that site coverage and boundary setbacks, which were measured from the closest point of the house to the boundary (normally the outside of the eaves or soffits) were restricting the size of building footprints. The obvious design solution to maximise site use was to create parapet walls, and therefore low mono-pitch roofs, internal gutters, and a plaster system to suit the monolithic look - the 'Mediterranean' style house!

INDUSTRY CONFIDENCE PLUMMETS

The Hunn report grossly underestimated the potential cost of the problem at \$240m. It wasn't just the obvious cost of the repairs that needed to be considered - there were also huge legal, medical and mental health costs from living in and owning these sub-standard houses, and the fact that we're still finding leaky buildings today that are subject to ongoing cost escalation. Who knows the real cost.

This led to an inevitable outcome public confidence in the building industry hit new lows.

INTRODUCING... THE LICENSED BUILDING **PRACTITIONERS SCHEME**

The introduction of the Licensed Building Practitioner regime was aimed at improving the skills and knowledge of those involved in residential construction. The following was stated as the intention of the enabling legislation:

"The Government's goal is a more efficient and productive sector that stands behind the quality of its work; a sector with the necessary skills and capability to build it right first time and that takes prides in its work; a sector that delivers good quality,

affordable homes and buildings and contributes to a prosperous economy; a well-informed sector that shares information and quickly identifies and corrects problems; and a sector where everyone involved in building work knows what they are accountable for and what they rely on others for.

We cannot make regulation more efficient without first getting accountability clear, and both depend on people having the necessary skills and knowledge. The Building Act 2004 will be amended to make it clearer that the buck stops with the people doing the work. Builders and designers must make sure their work will meet building code requirements; building owners must make sure they get the necessary approvals and are accountable for any decisions they make, such as substituting specified products; and building consent authorities are accountable for checking that plans will meet building code requirements and inspecting to make sure plans are followed."

See the next issue for the continuation of

This article is an excerpt from Codewords Issue 103. Reading Codewords articles that are relevant to your licence class is a mandatory requirement for Licensed Building Practitioners. These questions can be answered through the LBP portal, online at underconstruction.placemakers.co.nz or recorded on the magazine, then provided at the time of renewal.

CODEWORDS QUIZ ISSUE 103

- (1) What was found to be a major health risk in the repair of leaky buildings?
 - The transportation of LOSP treated timber to site
 - Disposing of the face-sealed cladding systems.
 - c) Moulds growing within the
- What was the government's goal for the future of the building industry?
- a) A more efficient and productive sector.
- A sector that delivers good-quality, affordable homes and buildings.
- c) A sector where everyone involved knows what they're accountable for.
- Making it clearer that the buck stops with the people doing the work.
- e) All of the above.

- What is the legislation that introduced the beginnings of the LBP Scheme?
 - a) The Building Act 2004.
 - b) The Building Regulations 1991.
 - c) The Building Code.

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MBIE





FUTURE-PROOFING OUR BUILDINGS



Aotearoa New Zealand Disability Rights Commissioner Paula Tesoriero states her case as to why universal design solutions for housing must be embraced

bout 24% of our population identify as disabled – that's roughly 1m people in Aotearoa New Zealand.

Despite this, around 130,000 disabled people in this country live in homes that don't fully meet their needs.

That figure is likely to increase as our population ages, however so much of our built environment excludes disabled people because of its design. Many disabled people are not able to live in houses suitable to their needs or access buildings in the way non-disabled people can – routinely and easily.

A study by Lifemark® (a division of CCS Disability Action), looked at the application of the principles of universal design (UD) in new homes. It found that three key features of accessibility - level pathways and entrances, an easily accessible bathroom on the ground floor, and wide doorways – were found in just

5% of new homes, while only 2% of new homes would comply with Lifemark's® higher standards of accessibility. The study also found that one in six people need modifications to their home.

As the Disability Rights Commissioner, my role is to protect and promote the rights of disabled people. Those rights are set out in both the NZ Bill of Rights Act, and the Human Rights Act. This country is also a signatory to the United Nations Convention on the Rights of People with Disabilities, and these elements combined bring a collective responsibility.

UNIVERSAL DESIGN

Universal design (UD) solutions futureproof buildings for the modern world so anyone can use them – and no one is excluded. UD principles marry uberfunctionality with aesthetics – homes built to these principles can easily be visually attractive as well as functional and practical. Universally designed structures work for all of us, at any stage or age. From a disability-rights perspective, universal design is truly fundamental to building an inclusive society.

Lead building practitioners and designers may be in a challenging position. Even though they may see the functional and aesthetic benefits of UD, clients may be reluctant or unable to extrapolate the longer-term benefits and assume considerable additional costs. From a societal perspective, this view is short-sighted because UD is all about making structures work for most people – and that includes disabled people.

VASTLY REDUCED COSTS LONG-TERM

According to building research body BRANZ, it's more expensive to retrofit a structure than to build it from scratch using UD principles. Its research found

the cost of incorporating essential UD features on a new house (150-200 m²) was just \$1,700, compared to \$14,000 for a retrofit. It also found that, in most cases, the extra costs of incorporating UD solutions is about 0.5% of the total build cost.

BRANZ also endorses universal design because its concepts and solutions 'make sense' as buildings designed with these principles are more attractive to a wider group of buyers. See BRANZ's website for a universal design calculator.

IT CAN BE DONE

The New Zealand Disability Strategy (2016 to 2026) is a roadmap to help implement the UN Convention on the Rights of People with Disabilities. The strategy aims to influence and regulate for the kind of changes I'm advocating and lays out the outcomes that local councils, planners, designers and builders can contribute to.

There are some good examples of local government leading on UD initiatives. The Thames Coromandel District Council incentivised new builds using UD solutions after modelling showed the district's population was aging and it was more cost effective for builders to get it right the first time than to retrofit homes to suit its aging population.

There is an opportunity to pivot from a one-sizefits-all approach in our built environment to creating adaptive and inclusive structures that stand the test of time

Hamilton City Council is incentivising developers to achieve Lifemark® certification in residential developments in the central city, while Palmerston North City Council's Lifemark® 4 star Papaioea Place project will have 76 new homes. Hauraki District Council has also incentivised UD in recognition of the need to be designing homes that cater for the needs of the elderly and disabled people in our communities.

Our society is undergoing quite rapid social and cultural change. The building industry could grasp this opportunity to promote UD as mainstream and there is an opportunity to pivot from a one-size-fits-all approach in our built environment to creating adaptive and

inclusive structures that stand the test of time. What a great legacy to leave.

My aspiration as Disability Rights
Commissioner is to have 100% UD for
all new government new builds and
eventually for all new builds. That's
because I view this as not just about the
design of housing – it's about creating
an accessible world with infrastructure
that supports disability and diversity.
As a social indicator, housing is
something we need to do better in.

If you are interested in reading more about accessible housing, check out the NZ Human Rights website.

Paula Tesoriero MNZM is Aotearoa New Zealand's Disability Rights Commissioner. Her role is to promote, support and advocate for disabled people. Aotearoa New Zealand is a signatory to the United Nations Convention on the Rights of People with Disabilities.

This article is an excerpt from Codewords Issue 103. Reading Codewords articles that are relevant to your licence class is a mandatory requirement for Licensed Building Practitioners. These questions can be answered through the LBP portal, online at underconstruction.placemakers.co.nz or recorded on the magazine, then provided at the time of renewal.

CODEWORDS QUIZ ISSUE 103



What is universal design?

- a) Making a house as big as possible.
- b) Making house designs generic.
- Solutions that future proof buildings for the modern world so anyone can use them – and no one is excluded.
- According to BRANZ, what is the average cost of incorporating essential UD features into a 200m² new house?
 - a) \$1,700.
 - b) \$34,000.
 - c) \$14,000.

- What are the advantages of designing UD into our new housing?
 - to retrofit an existing house.
 b) The house becomes more attractive to

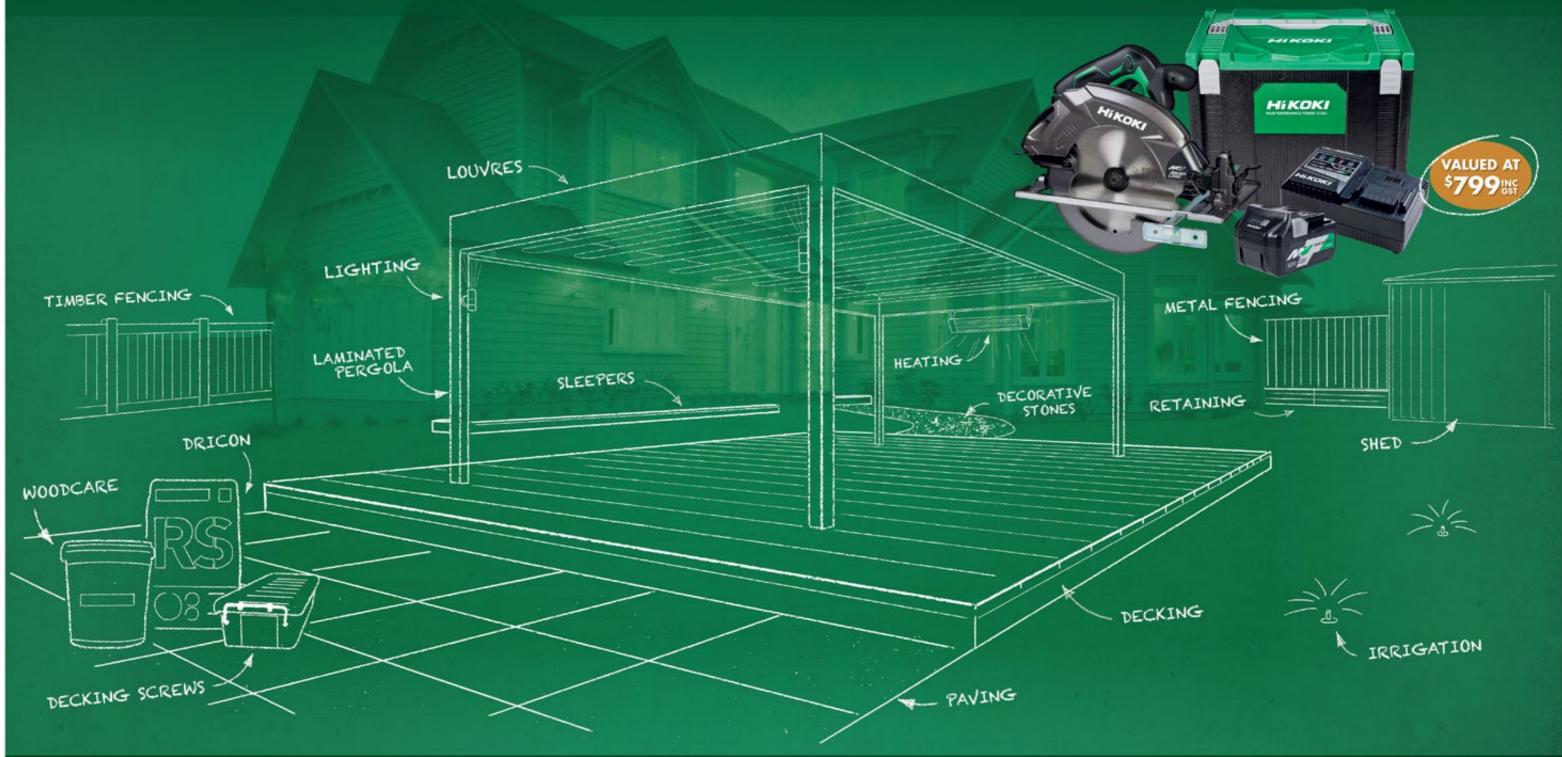
The cost will be a fraction of that required

- a wider group of buyers.
- c) It creates adaptive and inclusive homes catering for the future needs of our communities.
- d) It's just the right thing to do.
- e) All of the above.

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BRANZ

IMPORTANT TO KEEP BOTTOM PLATE WHOLE





Recent calls to the BRANZ helpline asked about the implications of removing a section of bottom plate from wall framing. Good planning is needed to avoid this as it compromises the wall's loadbearing integrity and means it will no longer act as a bracing wall

BRANZ helpline caller described having seen a situation where a section of bottom plate was removed to accommodate service pipes through the wall framing. They had concerns about the effect on the structural and bracing integrity of the wall and how it affected the wall's thermal and airtightness capability.

Turns out they were right to be concerned. Read more about why below.

POOR PLANNING OFTEN A CAUSE

The first question to be asked is why sections of bottom plate are being

removed from wall framing at all. The reasons usually involve poor planning:

- Designers not considering where service pipes will be located, instead leaving decisions to tradespeople.
- Tradespeople not understanding the implications of removing sections of wall framing.
- Insufficient oversight on the construction site – there is often no one person who has overall responsibility for the building work.
- Owners/clients not wanting to

see service pipes on the outside (or inside) of the building.

THE BOTTOM PLATE HAS AN IMPORTANT FUNCTION

The function of a bottom plate is to connect the wall to the floor. Vertical loads are transferred downwards and evenly distributed through the whole wall. The only area of wall framing where there are no bottom plates should be at doorway openings, which are designed so that vertical loads are transferred down on either side of the opening.

When a section of the bottom plate is removed, the load is no longer evenly

When a section of the bottom plate is removed...
The wall can no longer be used as a bracing wall over its entire length, and the bracing layout for that storey will need to be redesigned

distributed down through the whole wall, compromising the wall's loadbearing integrity. The wall can no longer be used as a bracing wall over its entire length, and the bracing layout for that storey will need to be redesigned around what is left.

NZS 3604 REQUIREMENTS FOR BOTTOM PLATES

NZS 3604:2011 Timber-framed buildings states that bottom plates must be supported by timber floor framing or a concrete floor slab. It sets out fixing requirements for:

- Timber floor framing nailing according to Table 8.19.
- Concrete slab floor cast-in anchors or proprietary post-fixed anchors according to paragraph 7.5.12.

HOLES OR NOTCHES IN BOTTOM PLATES.

NZS 3604:2011 does not describe any situations where a section of bottom plate may be removed.

It does describe fixing requirements where holes or notches are cut into bottom plates. Paragraph 8.7.5.2 states that, where a hole or notch is more than 50% of the width of the bottom plate, the plate must be fixed against sideways movement with one 100 × 3.75 mm nail on each side of the hole or notch (Figure 1).

This applies to bottom plates fixed to timber floor framing only.

There are no options for securing a bottom plate with a hole or notch cut in that is fixed to a concrete floor slab. This suggests that the intent is that there should not be any holes or notches cut into the bottom plate.

CUTTING INTO OTHER PARTS OF WALL FRAMING

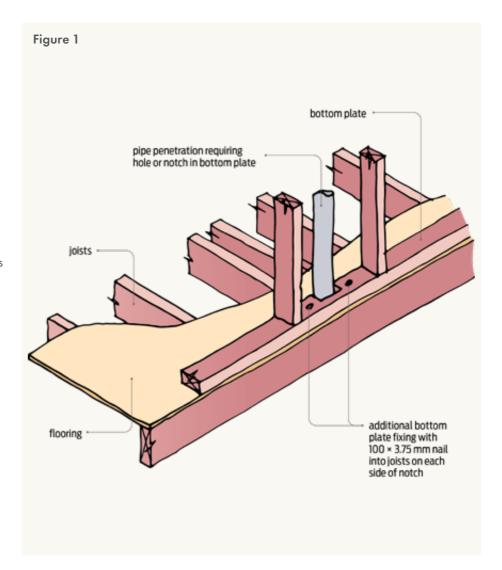
A vent pipe is sometimes also required to be installed with a wastepipe, passing through the dwangs and top plate of the wall framing. This means that, where a bottom plate has been cut, notched or even removed, more of the wall

framing may also have been removed, undermining even further the integrity of the wall framing.

GOOD PLANNING REQUIRED

Good planning at the design stage of a building project is the solution to avoid the need to remove sections of bottom plate.

The initial responsibility for the location of service pipes lies with the designer. They should consider at the design stage how services such as wastepipes and vents can be accommodated in the building design without compromising the building structure.



Story continues overleaf

BRANZ

KEEP BOTTOM PLATE WHOLE CONTINUED.



Options to ensure that service pipes do not need to be located within the wall framing include:

- Locating rooms requiring pipework such as kitchen, bathrooms and laundry in close proximity to one another and incorporating a service duct through which the pipes can
- Locating fittings so that pipes can go down through the floor rather than the wall framing.

Alternatively, use deeper wall framing so that holes or notches remain less than 50% of the width of the bottom plate. This also allows for installing thicker wall insulation.

ON-SITE MANAGEMENT

Contractors and tradespeople also have a second level of responsibility for ensuring that the structural integrity of the building is maintained. Recommendations for on-site situations include:

Ensuring that tradespeople know that structural elements such as bottom plates must not be cut through.

Consulting the architect/designer or engineer where a conflict of location of building elements occurs.

Appointing one person on site to have oversight of the whole project.

Following these steps will help ensure that bottom plates are not compromised during the construction process and ensure that the structural and bracing integrity as well as thermal and airtightness capability of the building are maintained.

To accommodate pipes without compromising the wall's loadbearing integrity, design can include deeper wall framing so that holes or notches remain less than 50% of the width of the

bottom plate



Article by Alide Elkink. First published in Issue 186 of BRANZ Build magazine www.buildmagazine.org.nz. Words and figures supplied by BRANZ.

PROVE YOUR KNOWLEDGE



Tick the correct answers below and record what you've learnt in the record of learning on the back page!

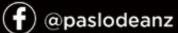
- plate is removed?
- a) The wall's loadbearing integrity is
- b) Vertical loads are transferred downwards and evenly distributed through the whole wall.
- The bracing layout does not need to
- 1) What happens when a section of bottom 2) According to NZS 36045:2011 3) Timber-framed buildings, what must support bottom plates?
 - a) Only timber floor framing.
 - Only concrete slab floor.
 - c) Either of the above.
- According to Paragraph 8.7.5.2 of NZS 3604:2011, when a hole or notch is more than 50% of the width of the bottom plate, what size nail must the plate be fixed against sideways movement with?
- a) One 100 x 3.75mm nail on each side of the hole or notch
- Two 100 x 3.75mm on one side of the hole or notch
- Two 150 x 3.75mm on each side of the

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LEGAL

IMPLIED WARRANTIES IMPLICATIONS





In a recent case, Palmer v Hewitt Building Limited & Anor [2021] NZHC 1460, the High Court clarified the application of statutory warranties contained in Part 4A of the Building Act 2004 (the Act). Duncan Cotterill reviews the role of these implied warranties in the residential building sector and what you need to be aware of

he High Court has clarified that the warranties contained in Part 4A of the Act apply only to the contracting party (usually a company) that is named in the relevant contract. Unless an individual builder is also a party to the contract, they will not be subject to the warranties.

A 'building contractor' for the warranties in Part 4A of the Act includes anyone

building or selling household units. A 'household unit' is a building or buildings, or part of a building, that is intended to be used as a home or residence for one household. Accordingly, the implied warranties impose greater liability onto:

- Residential building contractors.
- House-building companies.

- Developers offering house-and-land packages.
- People who, for the purpose of on-sale, do any of the following:
 - Build a household unit themselves.
 - Arrange for a household unit to be built.

 Buy a household unit from someone who built it or arranged for it to be built.

In this article, the term 'building contractor' will be used to collectively apply to the above. The term 'client' in this article will refer to the client or purchaser named in the relevant contract and any subsequent purchaser of the household unit, who is covered by the implied warranties.

After the initial twelvemonth period, the burden of proof shifts to the client to prove that the building contractor is responsible for any disputed defect in the building work. The building contractor remains liable for any breach of the statutory warranties for ten years

WHAT IS COVERED?

All residential building work is covered by the implied warranties in the Act for up to ten years.

There is no way to 'contract out' of these warranties. The warranties protect residential building work regardless of value or whether there is a written contract or not. They also transfer to subsequent purchasers, even if they were not a party to the original contract.

In summary, the warranties listed at section 3621 of the Act are:

- The building work is carried out properly, in accordance with the plans and specifications in the contract and the building consent.
- Materials used are suitable for their purpose and new (unless otherwise stated in the contract).

The building work complies with the Building Act, Building Code and all other legislation.

The building work will be completed by the date specified in the contract (or, if no date is specified, within a reasonable time).

- The household unit is suitable for occupation on completion of the building work.
- The building work and any materials used are reasonably fit for the purpose stated.

WHAT HAPPENS IF THERE IS A BREACH?

1. 12-month defect repair period

The Act sets out what are considered 'defects'. If there is any defect in the building work within twelve months of the building work being completed, the client can require the building contractor to remedy the defect.

During this twelve-month period, the client merely needs to claim a defect exists. If the building contractor disputes that there is a defect, then they bear the burden to prove this. In effect, the Act imposes a mandatory defects liability period of twelve months in all residential building contracts.

2. Outside the 12-month defect repair period

After the initial twelve-month period, the burden of proof shifts to the client to prove that the building contractor is responsible for any disputed defect in the building work. The building contractor remains liable for any breach of the statutory warranties for ten years.

3. Dispute resolution process

Where there is a dispute about whether a warranty or warranties are breached, the dispute resolution process set out in the contract (if any) should be followed first. If the contract does not contain a dispute resolution process, or there is

no written contract, then the default clauses in the Act will apply.

The Construction Contracts Act 2002 also provides an adjudication process for disputes under contracts for construction work.

4. Remedies

Section 362M to 362P of the Act sets out the potential remedies for a breach of an implied warranty. A breach of the implied warranties is a breach of the contract.

Once a defect becomes known, the client must raise the issue with the building contractor and, if the issue cannot be resolved between the parties, the client must make a legal claim within six years from the date of the breach.

a) Where the breach can be remedied:

- The client may require the building contractor to remedy the breach, including replacing defective materials.
- If the building contractor does not remedy the breach within a reasonable time, the client may have the breach remedied by someone else and recover the reasonable costs for having done so from the building contractor, or they may cancel the contract.
- In addition to the above options, the client may seek damages from the building contractor for any reasonably foreseeable loss or damage resulting from the breach.

b) If the breach cannot be remedied:

- The client may seek damages for any loss of value to the household unit; or
- Cancel the contract.
- In addition to the above options, the client may seek damages from the building contractor for any reasonably foreseeable loss or damage resulting from the breach.

Story continues overleaf

LEGAL

IMPLIED WARRANTIES CONTINUED.



RECOMMENDATIONS

To mitigate their risk, we recommend that building contractors:

- 1. Ensure their contracts include clauses that:
 - Deal with any materials which are not new or are to be recycled.
 - Determine when building work will be considered complete and the twelve-month defect remedy period starts.
- Obtain written consent from the client and the relevant council (if required) of any changes to materials from what was specified in the plans and building consent.
- Provide the client with details of any maintenance requirements for the building work – this will assist in excluding liability where the building work isn't maintained properly.

- Ensure their contracts with any subcontractors include clauses that:
 - Require subcontractors to perform their work to the correct standard.
 - Enable claims to be made against the subcontractor if their actions have breached the implied warranties.
- 5. Keep all documentation, including copies of the contract, for at least the ten-year period.

- **6.** Check that their insurance policies cover the implied warranties.
- Account for this potential liability when structuring their business.
- 8. Don't attempt to contract out of the implied warranties or advise clients that they don't apply as this will be a breach of the Fair Trading Act.



If you have any questions about implied warranties or would like assistance, please contact Alysha Hinton on (04) 471 9452 or at alysha.hinton@duncancotterill.com, or your local Duncan Cotterill advisor (duncancotterill.com).

Duncan Cotterill is a full-service law firm with offices in Auckland, Wellington, Nelson, Queenstown and Christchurch.

Disclaimer: the content of this article is general in nature and not intended as a substitute for specific professional advice on any matter and should not be relied upon for that purpose.

PROVE YOUR **KNOWLEDGE**

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- 4) The High Court has clarified that the warranties contained in Part 4A of the Act apply only to:
- a) The building contractor named in the
- b) Any builder in the build.
- c) Any LBP involved in the build.
- 5) What is covered by implied warranties?
- a) All residential building work for up to ten years.
- b) All residential building work carried out by LBPs for up to ten years.
- c) All commercial building work.
- 6) How can you 'contract out' of implied warranties?
- a) Get the right insurance.
- b) You can't.
- c) These only apply to LBPs.

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INDUSTRY NEWS

PASSIVE FIRE PROTECTION PLANNING

Considerable evidence exists to show that, in a large proportion of buildings, passive fire protection has not been effectively designed, specified and installed – putting lives in danger. To combat this issue, Fire Protection Association NZ is working to educate the industry

ver the past five years,
Fire Protection Association
NZ (FPANZ) has been
taking a leading role in cleaning up
the passive fire protection sector
to ensure buildings are compliant
upon inspection.

To this end, FPANZ Passive Fire Special Interest Group (SIG) has been working collaboratively with industry participants to put tools and measures in place to help everyone in the industry understand the importance of passive fire protection and how it can be done properly from the start – saving builders and homeowners time and money.

FPANZ strongly supports the use of trained and experienced specialist passive fire protection installers and specialists for your Passive Fire protection requirements. In 2021, there is sufficient knowledge, and enough companies and staff across NZ, to ensure passive fire protection is always completed in a compliant manner.

Listed below are some initiatives FPANZ has delivered and made available to the wider industry to ensure passive fire protection isn't a headache on your next build. Visit **fpanz.org** to access the below information.

PASSIVE FIRE PRODUCTS REGISTER

FPANZ developed a register of compliant passive fire products that manufacturers chose to list. It is an impartial document that provides a tool for searching or checking compliant materials and systems. Currently available on the FPANZ website as a PDF, it will soon be transferred to a searchable, online version that will show comparisons for all available compliant options, along with manufacturer and distributor contact details.

INTUMESCENT COATINGS CODE OF PRACTICE

FPANZ developed this Code of Practice document to enhance the design, specification and application of intumescent paint on NZ buildings. This Code of Practice is a step-by-step guide for best practice and satisfying NZBC when it comes to intumescent paints.

NZQA LEVEL 3 PASSIVE FIRE INSTALLER QUALIFICATION

FPANZ has worked hand-in-hand with Competenz to develop the NZQA Level 3 Passive Fire Installer qualification. This is the first and only NZQA-recognized qualification for the installation of passive fire protection systems.

Since the establishment of the qualification at the start of 2020, more than 250 learners have enrolled and over 40 have completed the qualification. A description of the course can be found on the Competenz website.

POSITION STATEMENTS

FPANZ regularly develops and releases Position Statements to the market free of charge as a quick way to distribute information where there may be a particular troublesome point in the industry, or area where clarification is required. Recent Passive Fire Position Statements have included:

- 01 Fundamentals of Passive Fire Protection
- 02 Fire Stopping Methodology
- 04 Smoke Stopping

'GET IT RIGHT' SEMINARS

FPANZ hosts a variety of half-day and full-day seminars across New Zealand which are hosted by subject matter expert speakers.

In June 2021, the Passive Fire SIG delivered its first "Get it Right Seminar" in Christchurch to an at-capacity audience.

In 2022, FPANZ will be delivering these to audiences across Aotearoa. Dates and locations will be announced once Covid-19 restrictions have eased.

The agenda will include: Intumescent Coatings Code of Practice, Passive Fire design & specification, Passive Fire installation, test labs, and NZQA Level 3 and Level 4 Qualifications.



BUILDING LAW REFORM UPDATE



More than two years since the building law reforms were announced, Cabinet has agreed to the policy proposals developed by MBIE and outlined in the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act (2021/21)

BIE says these changes support greater opportunity for innovation and economies of scale, improve trust and confidence in the building sector, and aim to:

- Introduce minimum information requirements about building products to support better and more efficient decision-making.
- Introduce a specialist framework for modern methods of construction, such as offsite manufacturing and prefabrication, and speed up the consenting process.
- Strengthen the product certification framework (CodeMark) to improve trust and confidence in the scheme.

These changes support greater opportunity for innovation and economies of scale, and improve trust and confidence in the building sector

Based on this decision, regulations can begin development and MBIE expects them to be approved by mid-2022.

The reform also included changes to how enforcement agencies

investigate and punish offences against the Building Act, which were announced on 8 June 2021:

- The timeframe to investigate a potential offence against the Building Act and file a charge doubled from six to 12 months.
- Maximum penalties on conviction were increased to a level that reflected the seriousness of the offences.
- Some maximum penalties were different for individuals than those for organisations.

26 27

INDUSTRY FEATURE

TINY HOME ADVICE NOW AVAILABLE



After years of conflicting guidance and verdicts for current and would-be tiny home owners, the Ministry of Building and Innovation (MBIE) has published a *Tiny House Guidance* document

Performance branch in consultation with a tiny house stakeholder group, the guidance seeks to clarify ambiguity on which rules apply to which tiny homes and what requirements need to be considered before building a tiny house.

This guidance aims to ensure that tiny houses as buildings are safe, healthy and durable for their intended use.

WHAT NEEDS TO BE CONSIDERED •

There are a number of factors to consider for those wishing to build, or purchase and re-locate tiny houses, particularly those on wheels.

Tiny houses on wheels will often be vehicles (eg, motor homes) but, if they are "immovable" and "occupied by people on a permanent or long-term basis", then they will also be buildings.

Depending which category the tiny homes falls under – vehicle, building, or both – it will have to comply with one or more of three relevant laws. The flowchart above

offers a simplified system for determining the tiny home category.

Depending how it is defined, the legislation that may apply includes:

- The Building Act 2004 (includes the Building Code).
- The Resource Management Act 1991.
- The Land Transport Act.

The guidance emphasises the importance of determining whether a tiny house is considered a dwelling under both the Building Act and the Resource Management Act, because they are very different pieces of legislation, with varying definitions and requirements for each. It is possible for a tiny home to not be defined as a building under the Building Act, but still be defined as a building in a district plan adopted by your council under the Resource Management Act.

WHO IS INVOLVED?

While MBIE has taken the lead on providing generic tiny home guidance, the document strongly recommends that builders speak to the local council before proceeding with a tiny home build, to ensure the correct consents are obtained – if required.

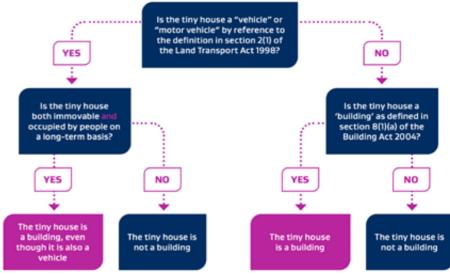
Also, according to an MBIE spokesperson, because no legislative or regulatory changes have been made regarding tiny houses, it will have no impact on court decisions*.

Check out the guidance by searching 'tiny house' on **building.govt.nz**.

*In February 2020, the Christchurch
District Court overturned an MBIE
determination which found a tiny
home "more akin to a building"
than a vehicle. Read more on
underconstruction.placemakers.co.nz

There are a number of factors to consider for those wishing to build, or purchase and re-locate, tiny houses, particularly

those on wheels



Disclaime

The above flow chart is a guide only and may be applied differently to different situations.

The information listed in the flow chart is subject to any relevant exclusions in section 9 of the Building Act.

The flow chart is to help determine if a tiny house or any structure (including those on wheels) is considered a building under the Building Act. Image credit: MBIE Building Performance Tiny Homes Guidance 2021

CONSENT NUMBERS INCREASE BY 25%

The latest consenting figures show another increase for September 2021, as many regions saw jumps of more than 20% compared to the same period in 2020

here were 47,331 new home consents issued in the September 2021 – a 25% rise on figures from the previous September year.

Following six months of continuous growth, there was a drop in the number of seasonally adjusted new dwellings consented in September 2021. Following a 3.8% rise in August 2021 (4,490), September 2021's figures were down 1.9% to 4,483.

INDUSTRY REFLECTIONS

Multi-unit homes accounted for nearly half (46%) of all new homes consented in the year ending September 2021.
This included 21,886 multi-unit homes –

including townhouses, apartments, and flats – and 25,445 stand-alone houses.

According to Stats NZ construction statistics manager Michael Heslop, the numbers reflect a distinctive move towards multi-unit homes.

"The number of new multi-unit homes rose 40% in the year ended September 2021, compared with the September 2020 year, while the number of new stand-alone houses consented rose 15% over the same period."

UP AND UP

Every single region experienced an increase in new dwellings consented

in the year ending September 2021, compared with September 2020 year end, led by Canterbury (up 31%), Auckland and the rest of the North Island (up 29%), Waikato (up 23%) and Wellington (up 13%).

New homes consented per 1,000 residents across New Zealand increased to 9.3, from 7.4 in the September 2020 year.

Northland rose from 4.7 homes consented per 1,000 residents in 2020 to 7.2 – while Canterbury's construction boom was characterised by its rise of 8.7 to 11.4. ■

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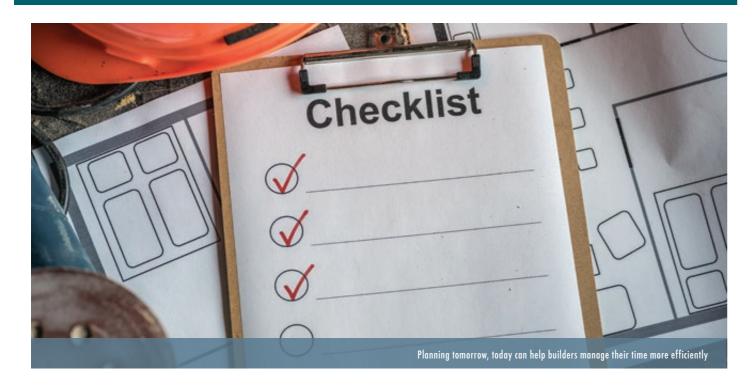


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THE SUCCESSFUL BUILDER

THE TOP TWO INCHES



During stressful times, make sure to take care of yourself, plan ahead and look for solutions rather than focus on problems

t has been said that the most important part of any business is the top two inches – that's of your head. In other words, the most strategic part of your business, which ought to be protected the most, is your brain. Or to be more precise - your thinking.

This is particularly true when the business environment you operate in is uncertain and going through change.

It's at times like these, when your business needs a clear-headed owner with positive and effective leadership, that you may find yourself having sleepless nights due to agonising over decisions, upset clients and staffing issues.

So, in this article I focus on three things I've learned over the years that helped me stay clear-headed when going through change.

1. TAKE CARE OF YOURSELF

This might sound obvious, but I meet

many builders working longer and longer hours in the current climate. They tell me they need to do this just to keep on top of things. When I dig a little deeper, I discover that working harder is their way of coping with pressure.

They aren't alone. Most builders in the industry are coping with similar pressures, including material supply constraints, scheduling subcontractors and recruiting qualified team members.

However, simply working longer hours to solve these problems is not the answer. When the work environment changes, you need to change. If what you are currently doing is not working well, then simply doing more of it is not really solving the problem. In fact, it may be making it worse, since overworking may be reducing your ability to make good decisions about what needs to be done.

So, pause and take stock.

Itemise each pressure area. Keep the list short – three or four is more than enough Then decide on one area and focus on finding a solution(s) to that one area.

Give yourself enough time to research, talk to peers who are also experiencing similar pressure and make some new plans. Then trial each new idea until you find a workable solution.

Take care of yourself by pausing.

2. PLAN TOMORROW TODAY

This is a simple routine that can help you work with greater efficiency. It simply involves taking your 'to do' list and selecting a few things you will do tomorrow. But only those things. Leave everything else on the (never ending) 'to do' list.

Then plan your day so that you have enough time to actually get these few things done, or resolved. Be careful not to plan every minute. Make sure that you

allow some time for interruptions and phone calls, otherwise it won't work as well.

The trick is to complete your tasks – to succeed – because there is nothing like success to breed success. Just the activity of ticking off completed tasks gives you that satisfied feeling of completing the day, rather than never being able to do enough. It feels like success.

But, the catch is, you must do this before the day ends.

If you have decided on what you need to do tomorrow, and set your plan, then your subconscious mind can use your sleeping time to troll through the recesses of your brain to find memories and ideas that may assist you succeed. Your goals have given your subconscious a plan – you may even find yourself waking up with a great idea!

But, when you don't plan the next day before you go to sleep, your subconscious mind lacks clear direction and tends to worry – all night long in some cases – and usually about all the things that could go wrong! Know the feeling?

So, plan tomorrow today. Start making a short list of things you know you can accomplish tomorrow – so that you succeed. Then tick them off as they are completed.

You can slowly add a little more each day until you reach your level, but always write your list before you finish the day.

Should you have one of those days (again), where everything turns to custard, then at the end of the day, put a line through each uncompleted task and reschedule it to another day. Or if you can, just delete it. Maybe it doesn't need to be done. This way you have completed all of your tasks and you can feel you have had a very successful day. That feels good.

Remember, success breeds success.

When you take care of the top two inches, you are giving your business the best of you

3. STAY IN CONTROL

People gravitate towards those who 'have it together' – who handle themselves well when others may be losing it. No one

likes to work for, deal with, or buy from a person losing control. It feels unsafe. So, stay in control.

Now, staying in control is more about governing yourself than others. It's about being careful what you say and how you say it. It's about looking for solutions rather than blowing up at problems. The thing is, you can have full control over yourself, whereas you can't have the same control over others or over the current environment. That can be a revelation for some!

When things happen that elicit an emotive response (for example a mistake is made), pause and look for what you could have done to prevent it happening, for instance, could you have explained the job better? If so, then add that explanation to your systems so that you don't have this happen again.

Take control of the future by learning from the present and changing your routines or habits. This is the way to stay in control.

Remember, when you take care of the top two inches, you are giving your business the best of you.

Graeme Owen is a builders' business coach at thesuccessfulbuilder.com. Since 2006, he has helped builders throughout

New Zealand get off the tools, make decent money, and get more time in their lives. Grab a copy of his free book: The 15 Minute Sales

Call Guaranteed To Increase Your Conversion Rate: thesuccessfulbuilder.com/book-15-min-sales-call or join Trademates and

connect with builders who are scaling too: www.facebook.com/groups/TradeMates

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- 7) When itemising each pressure area, how many items should you include?
- a) Three or four
- b) Just one.
- c) Over five.

- 8) When is the best time to write your to-do list?
- a) In the morning before you start work.
- b) Just before you go to sleep, so it's fresh in your mind.
- c) At the end of your work day, for you to use for the next work day.
- 9) When something happens to elicit an emotional response, what's the best course of action:
 - To react emotionally, that way your employees know you care.
 - To consider how you may have explained the job better and ensured more positive outcomes.
- Ignore it and pretend it never happened so your employees don't get too stressed.

NB: The questions and answers in this section have been produced by the publisher and do not necessarily reflect views or opinions of the contributing organisation

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BUILTIN

TOP INSURANCE TIPS





Trade insurance expert Ben Rickard offers insights on recent insurance issues that have cropped up from builder and sub-contractors

e've been writing these articles since 2013 and have built up quite a library in that time. They can all be found on our website at builtin.co.nz/articles and the Under Construction website underconstruction.placemakers.co.nz.

underconstruction.placemakers.co.nz
We've covered pretty much any topic
of insurance, risk, liability and potential
claims that anyone working as a builder,
LBP or other trade professional should
have a good understanding of. Knowing
what you are and aren't covered for,
and being aware of the risks you're
exposed to, are key to managing any
business, and that applies equally if
not more so to those in the construction
industry. This time we cover off a few
issues that have cropped up recently and
are worth knowing about.

CONTRACT WORKS INSURANCE COVERS SUBBIES TOO!

Well, it should do. Regardless of who arranges it, generally sub-contractors can and usually are included under the

policy. That means it doesn't matter if it's the builder, the owner or a subbie who damages the works – the contract works policy will cover it. Who pays the excess is then the only question, and if you have a good contract, it should set out the rules for this.

We have had three situations recently where subbies have been asked by their main contractor to pay for damage they've done to materials that are part of the job. One was a deck that had cedar oil spilled on it, another was for a smashed window in a new build and the third was damaged roofing iron. These should be covered under contract works insurance claims.

So, if you are a subbie and do cause some damage, be aware that the contract works insurance is there to cover you too! Because we are talking about damage to the works themselves, you may find that your liability insurance won't cover it (this is complicated and depends on the

specific circumstances of what is damaged and when) or will only apply over and above any contract works claim first.

THE BUILDING DEFECTS EXCLUSION

This is an exclusion in most construction and liability policies these days. It stemmed from the leaky homes crisis and effectively excludes any claim where water has penetrated a building through its external envelope. This sucks for trades who are working on this envelope, such as roofers, external waterproofers and those installing cladding. It has even been extended to deny claims from people who have accidentally penetrated existing structures while doing some small job, such as installing a heat pump, TV aerial or skylight.

Below is a typical Building Defects exclusion example:

We will not indemnify You for any claim under this Policy in respect of or alleging Personal Injury or Property Damage arising out of:

- 1. The failure or alleged failure of any building or structure to meet or conform to the requirements of the New Zealand Building Code contained in the First Schedule of the Building Regulations 1992 or any applicable New Zealand Standard (or amended or substituted Regulation or Standard) in relation to leaks, water penetration, weatherproofing, moisture, or any effective water exit or control system; or
- 2. Mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa or any similar or like forms in any building or structure.

If you want to avoid having to pay the hire company's insurance charges every time, you can arrange your own annual policy to cover hired equipment Unfortunately, insurers are unwilling to take on the risk of water penetration following the leaky homes crisis, so damage caused in this way is not insured. They take the view that any penetration that lets water in is a breach of E2, which triggers the exclusion.

ARE YOU HIRING EQUIPMENT?

If you want to avoid having to pay the hire company's insurance charges every time, you can arrange your own annual policy to cover hired equipment. This could add up to a reasonable saving, depending on the amount you spend on hireage each year and the value of the equipment.

While your liability insurance may cover you if you damage someone else's property while using the hired kit (eg, you swing the bucket into the side of their house), it may not cover damage to or theft of the equipment itself. And, depending what your hire contract is, you could be liable for all sorts of things.

On another note, if you own your own stuff and are hiring it out to other businesses, you need to make sure that the insurance for that equipment allows 'dry hire', which means renting out a piece of equipment without an operator. Otherwise, it may not be covered if something happens while it's hired out.

COVER FOR LEGAL EXPENSES

Most liability policies cover the legal costs related to a claim under that particular policy – ie, for defending the claim against you. For example, if you are sued for causing damage to someone's house, and this damage is covered by public liability insurance, then that policy would cover the associated legal costs.

You can also get separate insurance for 'legal prosecution defence costs'. This covers the cost of defending criminal prosecutions against directors or employees of the company while they were going about their work. It's important to note that it relates to criminal prosecutions, such as an assault or theft charge, not civil claims such as breach of contract.

The legal costs cover described above is only for defending you, it's not for you if you need to take someone to court yourself. There is insurance available that would pay your legal costs if you needed to bring a case against someone else, for example for breach of contract by a client. This cover is difficult to obtain but available in New Zealand in some circumstances. So, if this is of interest, please get in touch.

The information presented in this article is general in nature and not intended to be financial advice for individual situations.

You should speak to an expert about your specific circumstances and needs. Builtin are New Zealand's trade insurance experts.

For more information visit www.builtininsurance.co.nz or contact Ben at 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!

- 10) Who should be covered under contract works insurance?
 - a) Only the person who arranged it.
 - b) The builder, the owner and the subbie.
 - c) Only the main contractor.
- 11) How could you save money on hire company insurance?
 - a) Arrange your annual policy to cover hired equipment.
 - b) Live dangerously, don't take it out.
 - c) Register your business as a charity and you won't have to.
- What does separate insurance for 'legal prosecution defence costs' cover?
 - a) Breaches of contract.
 - b) The cost of defending criminal prosecutions against directors or employees of the company while they were going about their work.
 - The cost of defending civil claims against directors or employees of the company while they were going about their work.

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PLACEMAKERS NEWS

PLACEMAKERS PLAYS ITS PART TO HIT 90%









PlaceMakers is working tirelessly to ensure as many staff and tradies as possible are vaccinated

horoughly committed to the cause, PlaceMakers is attempting to leave no arm unjabbed, organising drop-in vaccination events, vaccination buses, Q&A seminars and spot prizes for the recently vaxxed.

SHOT BRO!

To ensure staff are practising what they preach, PlaceMakers commissioned the Shot Bro Bus to run mobile vaccination drives at its stores across the country.

"We're still working to get more of the team vaccinated and making it easy by having the Vaccination Bus come to them," said NZ Distribution Chief Executive Bruce McEwen.

"First and second jabs will be offered to anyone who needs them, including staff, their friends and family, and customers." Some customers have been hard to reach, with common feedback indicating that the hours and locations they work often conflict with available vaccination slots.

To help these busy tradies fit in a jab, PlaceMakers Riccarton and Canterbury DHB's vaccination team joined forces to host a one-day, drop-in vaccination event - on a Sunday - aimed at the construction industry, but open to everyone.

With tradies in their twenties a key focus due to low vaccinations rates, there were plenty of prizes on hand for extra encouragement.

Grant Close, owner-operator of PlaceMakers Christchurch, was "absolutely rapt" with the turn-out.

"Builders are really busy. They start early,

finish late, and work at night, so often they miss out on the opportunity to go out to a vaccination clinic," said Close. "Yet our industry can't afford to be closed down because of a lockdown, so creating opportunities like this is key."

HAVE A YARN

To ease concerns and worries about the vaccination, PlaceMakers also hosted an online Q&A with epidemiologist Professor Rod Jackson – which was open to all employees and family members.

"Our session with Professor Rod Jackson was attended by more 200 members of Team Blue," said McEwen. "Professor Jackson started the session by explaining exactly what the vaccine is and how it works, and was then able to answer a whole host of questions from those watching."

PROVE YOUR KNOWLEDGE

Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.

CODEWORDS ISSUE 103

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3 (4)

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11) 1) 12) 2) 7)

3) 8) 4) 9) 5) 10)

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