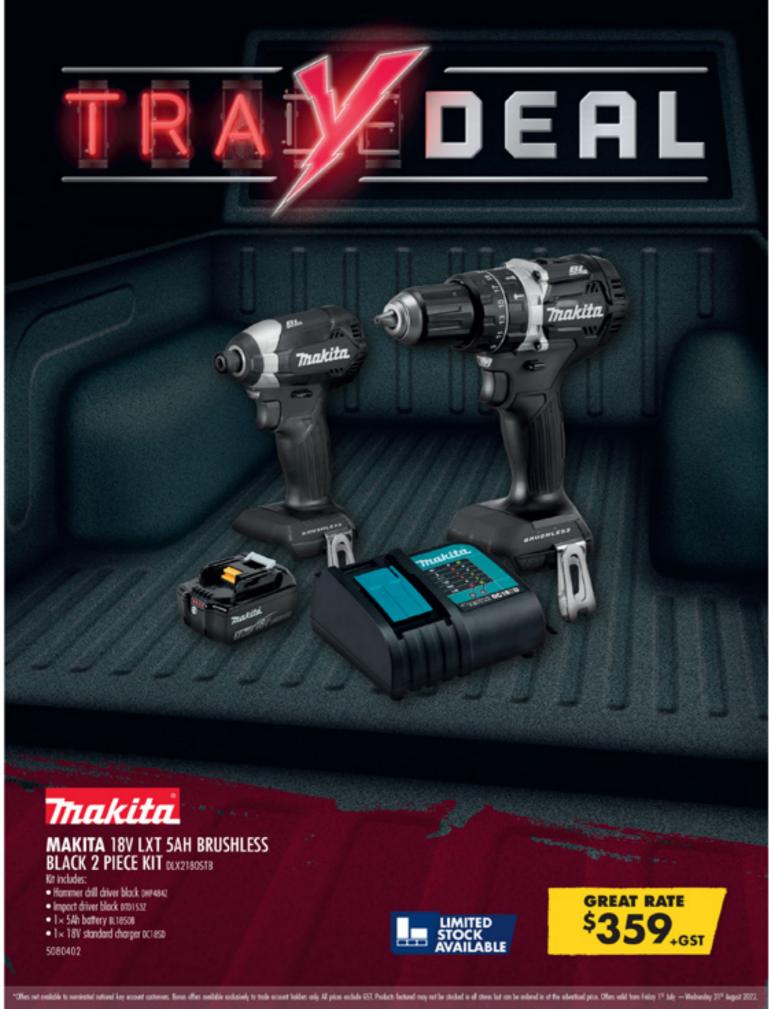


# PLACEMAKERS WITH SOME BIG WINS AT THE...



In May 2022, the 2021 Hardware Awards event was finally held. Check out page 4 for all the details and winners!



# PlaceMakers Together we're building

## **FOREWORD** VIEW FROM THE GM OPERATIONS

## **OVERCOMING CHALLENGES TOGETHER**



Most of our customers don't have time to scour the multiple sources of information out there for updates, which is why we collate them for you in Under Construction Construction has always been an exciting and challenging industry, with everyone trying to make the most of the boom while planning for a bust. In the current environment, delays in product supply, increased inspection times and staff shortages are all adding to the pressure, so our PlaceMakers teams around the country are doing their best to make life easier where they can

Our main focus is on providing you with the product you need as efficiently as possible, and we continue to expand the channels available to you to make your orders. Want to order online and get deliveries to site? Done. Want to order online for contactless pick up? No problem. Want to come and browse the store yourself? We look forward to seeing you!

Why have we done this? In direct response to your feedback, which is what drives many of our decisions here at PlaceMakers.

In fact, the new PlaceMakers Carisbrook store in Dunedin, which opens this month, is testament to the importance we place on our trade customers' opinions. Featuring a dedicated 'Click and Collect' area, a showroom to help your customers choose their products, and a landscaping yard with bulk aggregates on offer, it was designed specifically for trade. Read more on page 6.

Having trouble staying up to speed with all the regulatory changes or struggling to know how to handle them? You're not alone. Most of our customers don't have time to scour the multiple sources of information out there for updates, which is why we collate them for you in *Under Construction*, and offer practical tips from business coaches and insurance experts to help you manage them.

This issue is loaded with news you need to know about: the new LBP Code of Ethics, inspection wait times and how to manage them, concerns about engineer incompetence and a plan to regulate the industry, and a new Stats NZ report on the time it takes to complete a house build in New Zealand... to name a few.

Meanwhile, we're proud to know the industry recognises the hard work we're putting in to service our customers' needs. We had two winners and more finalists in this year's Hardware Awards than any other trade supply store. Read more on page 4.

We hope the additional challenges facing the industry subside soon, and will continue to do everything we can to support your businesses.

#### **Shane Cornelius**

General Manager Operations

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## **BUILDERS** BUSINESS

### CONTRASTING INSPECTION EXPERIENCES

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.

. Have you been impacted by increased inspection wait times?

Firm: Home Trends Builders
Interviewee: Peter de Gouw
Role: Director
Location: Christchurch
Staff: 12

We're severely affected by the increase in inspection wait times. We're sitting at seven weeks for an inspection in Christchurch, which makes finishing jobs nigh impossible, as we're not allowed to book our next inspection until the current one is finished.

We have buildings sitting idle, because we can't get things like pre-roof, pre-lining and final inspections. In my experience, virtual inspections aren't the answer. We tried to get a virtual pre-roof inspection, but the council won't do them because they say it's too dangerous.

There are a few things that could be changed to ease the pressure on inspectors. LBPs should be given more responsibility to do small inspections, such as tanking inspections, or post lining. At the moment, we have at least 14 inspections per build!

Engineers should also be able to carry out their own inspections on things like raft foundation and pre-pouring, as they're probably more qualified than the inspectors anyway.

The problem seems to be a Christchurch City thing, as we're doing a bit of work in Waitaki that got a consent in nine days. For contrast, I have some consents that have been with Chirstchurch City Council for 57 days and they haven't been picked up yet!

Firm: SLC Builders
Interviewee: Cory Carroll
Role: Director/Lead Builder
Location: Wellington
Staff: 4

I haven't seen a lot of inspection delays across the two councils I work with, which are Lower Hutt and Wellington City.

They have both been really good to us. We're a small company, so we're not doing a huge volume of work, and we've found that wait times have got better over the past 12-18 months. My assumption is that they've improved their systems or moved some admin work away from on-site inspectors to free them up for actual inspections.

I knew that virtual inspections were being talked about, but I didn't know they were accepted practice!

We've never had to use one, although we did have an incident where an inspector couldn't attend a booked inspection, so we had to produce a PS3 (Producer Statement Construction form). In my 20+ years in the industry, I've never had to do that before.

However, we are a smaller firm, so I imagine things are different for the larger companies, who would be under more stress and pressure.

I knew that virtual inspections
were being talked about,
but I didn't know they were
accepted practice!

Firm: Lifestyle Builders

Interviewee: Scott Siffleet

Role: Director

**Location:** New Plymouth

Staff: 9

We've had some inspection delays and that's meant we've had to be more organised. You used to request one and have someone come the next day, but now the time has increased to about a week, which means extra planning.

It has taken about a year for it to get to this stage, and at worst we've had to wait two weeks for inspections. I think that was due to the council being short staffed with people off sick, and now that things seemed to have calmed down, the wait time has reduced from that high point.

We've normally got a few jobs on at once, so if we have to pause work because we can't progress without an inspection, we can usually shift builders to another site.

I think that councils could help themselves by trusting LBPs more and getting the word out about online inspections. We have an in-house app that we use to document everything, and we could easily use that evidence for online inspections. Additionally, LBPs should be able to inspect small things themselves – for example, checking screw patterns on post lines.

One thing that I think is really strange is councils sending consents to be reviewed by other councils. I never knew this happened, until we sent a consent to Stratford Council for approval and it came back with comments on it for rules that don't apply in Taranaki! It made me want to tear my hair out.

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## **PLACEMAKERS** NEWS

## IN TO WIN FOR OUR CUSTOMERS

#### The 26th annual Hardware Awards took place in May, with PlaceMakers featuring heavily in the finals of all trade retail-related categories – and winning two key awards

onducted live for the first time since lockdown last year, the 26th annual awards night celebrated the achievements of the trade retail and supply sector in what has been another challenging year for everyone in the industry.

PlaceMakers was once again nominated in all 'Hardware and Builders' Supply Merchant' categories, demonstrating our expertise and the exceptional people dedicated to servicing our customers needs.

#### TRADE STORE OF THE YEAR Winner: PlaceMakers Riccarton

This award recognises sheer quality of service. Christchurch Hub Operations Manager Malcolm Ross said PlaceMakers Riccarton being named Trade Store of the Year "shows that hard work and determination in a tough market pays off".

He said the store's biggest achievement is "ensuring that our staff and customers have always come first, no matter what 2020/21 has kindly gifted us".

"We are a large format store but have always ensured we have the personal relationships with our builders and always listened to what they want and how we can work together to enhance their business."



#### Finalist: PlaceMakers Mt Wellington

The 2020 winning team narrowly missed out on adding another trophy to its cabinet, but is proud to be recognised for keeping up its exceptionally high standards with a place in the finals.

"It's wonderful recognition for the whole team at Mt Wellington to be recognised as the preeminent trade store in the Auckland area and one of just three finalists in this category nationally - it's humbling!" said PlaceMakers South East HUB Sales Manager Bob Barsdell.

"Our people, our culture, our continuity and consistency through disruption, while remaining hungry for improvement and always keeping the customer at the centre of what we do - that's what I believe makes Mt Wellington so special."

#### **RETAILER OF THE YEAR**

Winner: Gene Simmiss. PlaceMakers Blenheim

This award recognises a truly outstanding retailer or builders' merchant (aged 33 years or over), who has shown initiative and enterprise in leading their team.

Judges look for the "best of the best" in the DIY retail and building supply sector and every finalist is



considered a benchmark for their profession.

Gene is a relative 'newbie' to the industry, but he has quickly turned around what was, before lockdown, an underperforming store, reconnecting with customers and his team and leading them through a groundup reset of the business, as well as the disruption of a complete refit.

"We have changed the perception of the business inside and out," said Gene. "A number of customers have returned, who haven't shopped here for a long time, and we have provided the staff a place where they are proud to work and empowered them within their workplace to take ownership of their areas."

The results speak for themselves – as does the industry recognition that comes with this award. Well done Gene and the Blenheim team!

#### Finalist: Roger McRae, PlaceMakers Mt Wellington

With two Trade Store of the Year awards to his credit, Roger again paid tribute to his team, who he describes as "the life and heart of the business" - and PlaceMakers South East HUB Operations Manager Chris Hawkins seconds that.

Chris said that a team that features several highly promising future managers happily "goes the extra mile" for him. "Roger values his people and it shows," he said.

#### TRADE ACCOUNT MANAGER OF THE YEAR

This award recognises a trade account manager, who has consistently displayed a high standard of sales professionalism and has a proven record in account management.

Finalist: Sai Ma, PlaceMakers **Auckland South-East HUB** 

A finalist in 2019, Sai Ma is back in the finalists' group for 2021. A key to his continued success is his ability to understand the customer's pain points and find clear solutions, anticipate material shortages and work through the issues with team, suppliers and customers, always communicating clearly.

#### Finalist: Yuan Pei, PlaceMakers **Auckland South-East HUB**

Another high performer in Auckland's ultra-competitive market, Yuan Pei puts his success down to being open and honest with customers, sometimes "offering opinions or suggestions that they might not like, but have to know about".

#### Finalist: Ryan Rooney, PlaceMakers New Plymouth

Ryan only joined the New Plymouth team in September last year and has already made a big impression. Describing him as "hard working and driven", New Plymouth Branch Operator Jeremy Donoghue says Ryan has quickly built strong relationships and gained the respect of his team and his customers thanks to a positive attitude and ability to find solutions in difficult situations.

#### YOUNG RETAILER OF THE YEAR Finalist: Nadia Ducrot,

PlaceMakers New Lynn

This award recognises a young retailer or builders' merchant (aged 32 years or under) who has achieved a high standard in their retailing career.

Nadia has been with PlaceMakers for 13 years, but has only been in her role as New Lynn Branch Manager for the past 10 months.

Nadia Ducrot is devoted to growing and developing future leaders, saying "you cannot get places without a strong team behind you".

Clearly demonstrating a "growth mindset", Nadia has re-shaped New Lynn's operations, leading to massive FY2021 gains through simplifying daily tasks and streamlining despatch for a faster, better, and more transparent and accurate service

Morgan Caine, PlaceMakers West Auckland HUB Operations Manager, called Nadia a "passionate leader" with a "diligent and compassionate" leadership style.

#### Finalist: Karl Hallowes, PlaceMakers Cook Street

PlaceMakers Central North HUB Trade Support Manager Karl Hallowes is charged with planning, directing and

leading a 20+-strong HUB Trade Support team across multiple locations, and his problem-solving skills have made a huge difference to his colleagues.

His complete rethinking of the back order and allocation process has armed his Account Managers with "accurate and honest" information at a time when supply often simply cannot meet demand, reducing pressure on them.

Dale King, PlaceMakers North Central HUB Manager, said: "Karl is a natural leader of people and displays a level of maturity vastly beyond his years."

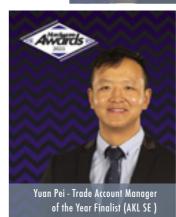
#### **CONGRATULATIONS**

The strong presence of PlaceMakers team members in these categories demonstrates our ongoing commitment to our customers. We are proud to be acknowledged by the industry in this way and would like to extend our congratulations to all the winners, finalists and nominees this year!







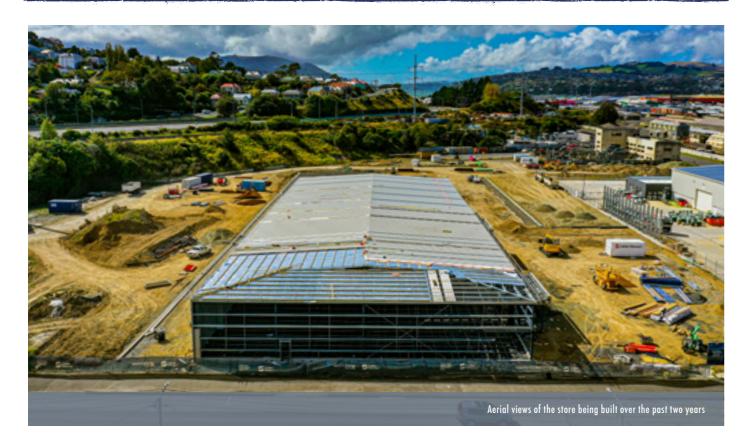




of the Year Finalist (New Plymout)

## PLACEMAKERS NEWS

## **NEW TRADIE HAVEN IN DUNEDIN**



## After years of careful consideration and planning, PlaceMakers Dunedin's move to its new Carisbrook site is complete and the trade-focused store is open for business

urpose-built with no compromises – that has been the dream for Justin Macready for his new Dunedin store for more than a decade. The owner-operator of PlaceMakers Dunedin and Mosgiel had to decide whether to re-design the existing site on Portsmouth Drive or move to Carisbrook, previous home of the Highlanders. He is confident the right decision has been made.

"I knew when I arrived in 2009 that we needed to move or upgrade the current site, so I've had a bit of time to mull it over," says Justin. "It was a tough decision, as it was a good location and people knew where we were; but we knew that moving would allow us to build a dedicated store with no compromises – which essentially means the best layout for our customers – and that was the most important factor."

Justin says the business has changed completely since the previous store was built in 1997.

"The way people do business has changed dramatically in the past 25 years, and so has our customer base and volume of work. Even since I arrived in 2009, we've grown and changed so much – more than doubling our sales and becoming more trade focused and capable, to the point where it's now over 95% of our business.

#### **CUSTOMERS AT ITS CORE**

Justin says looking at the new store makes it clear how business has changed – it's a reflection of the 'new norm'.

"Two Covid lockdowns and our digital platform being fast-tracked has really expedited a new way of doing business," explains Justin. "When we came out of both lockdowns to a massive amount of demand, the number of customers placing pre-orders for collection skyrocketed.

"In response, we're the first new PlaceMakers store to have a dedicated 'Click and Collect' zone and we're working hard to increase the number of products on offer through it."

Justin says the timing of the shift was perfect, as they still had flexibility in the store design to allow for it.

"We've worked hard to offer a good Click and Collect experience and had great feedback, with customers saying we're far better than anyone in the market. I'm sure we'll have some wee tweaks to make, which we will do based on customer feedback, but I really believe we have nailed it!"

The new store caters for a wide variety

of customer needs and interests beyond Click and Collect, boasting a more efficient drive-thru, a good 'bundling' of products process, a new landscaping yard with bulk aggregates, and a new drywall aisle featuring everything from standard products to best in class.

The showroom has been split in two, with one area specifically designed for PlaceMakers builders' customers. With a high-end showroom feel, it features the latest plumbing, bathroom, kitchen, wardrobe and heating range displays in a warm and comfortable environment. It even features working displays, such as shower options.

"Again, this is based specifically on feedback from our customers, who've told us that when it comes to decisions on these products, it's much easier to send their customers in to view the products, talk to our team of experts and make their selections," says Justin.

The other 'showroom' is dedicated to the trade, with a Toolshop, Fastenings Zone, Safety Store, Hardware Range and a trade-focused Paint, Adhesive and Sealants area.

We're the first new
PlaceMakers store to
have a dedicated 'Click
and Collect' zone and we're
working hard to increase
the number of products
on offer through it

#### **RECOGNISING ITS ROOTS**

The fact that Carisbrook was previously known for scoreboards rather than plasterboard is something that Justin and his team are keen to honour.

"The added bonus that our new store is on the hallowed ground of Carisbrook makes it even more special and we want to ensure it reflects its special past," says Justin.

To do so, the store will feature original stadium signage and goal posts, as well as a collection of memorabilia recalling past sporting achievements.

"We've had so much donated, including signed jerseys, programmes, some gravel from the old embankment and even an original bench seat from the ground signed by 10 Otago rugby luminaries, including Ben Smith, Kees Meeuws and Laurie Mains," says Justin, who even made a discovery of his own in the process.

"I found an old newspaper article from the 1950s with a photo of my father playing for Waitaki Boys as a curtain raiser for the All Blacks Vs South Africa match! My brother and sister and I didn't even know he'd done that!"

History aside, Justin is eager to see the doors open and welcome a new era.

"We're so excited to have moved in and see how the years of planning have paid off," he says. "My team has worked so hard for this and we know that, from 4 July, our customers are going to love it!"









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## **PRODUCT NEWS**

## **SCREWBOLT CELEBRATES QUARTER CENTURY**

For the past 25 years, Sesto Fasteners Screwbolt anchor options have continued to evolve to meet the needs of New Zealand builders

aunched in New Zealand 25 years ago, the revolutionary Screwbolt has superseded the traditional Sleeve anchor, proving itself as the ideal anchor solution for many applications.

Screwbolt features include:

- A non-expansion design.
- One-piece assembly.
- Removability.
- Reuseability
- Enhanced aesthetics.

Screwbolts are also ideal for fixing formwork to concrete and can be used as a high-strength anchor point for steel cleats, handrails and bollards to concrete.

Being a Hex drive anchor, the Screwbolt can be power set using a battery or electric tool, making it fast and easy to install.

#### **BLUE HEAD SCREWBOLT**

Sesto Fasteners' Blue Head Screwbolt is now known as the bottom plate fixing of choice.

Ideal for close-to-edge applications, the Sesto Screwbolt has been independently tested and is a suitable solution for proprietary bracing, complying with New Zealand standards

Its distinctive blue head with full head marking offers easy inspection and traceability, helping ensure hassle-free approval as the correct anchor for bottom plates.

Sesto Fasteners continues to strive to improve the features of this remarkable anchor by refocusing its energy on its durability.

To coincide with the 25th anniversary of the Screwbolt, Sesto Fasteners is now offering the Bottom Plate M10 range – an incredible offer featuring the standard Mechanical Galvanized finish as well as an additional Ruspert topcoat in an ALL-BLUE finish, providing improved corrosion resistance.

Ideal for close-to-edge applications, the Sesto Screwbolt has been independently tested and is a suitable solution for proprietary bracing, complying with New Zealand standard Timber framed buildings NZS3604 2011.

Three sizes are available for bottom plate applications:

- M10 x 140MM GALV for perimeter bracing applications.
- M10 x 150MM GALV for perimeter bracing applications when using a bottom plate packer.
- M10 x 200MM GALV for double plate perimeter bracing applications.

On your next visit to your local PlaceMakers store, look out for the distinctive ALL-BLUE Bottom Plate anchor in your fastener aisle.

The ALL-BLUE double corrosion protected Screwbolts are sold individually, or in a Trade 50 pack with a square washer.

The new ALL-BLUE Screwbolt will be your anchor of choice for many years to come.





## **APPRENTICE OF THE MONTH - MAY**

With extreme weather causing havoc around Tauranga, May's Apprentice of the Month ensured his site met a looming inspection deadline, despite being in the middle of a serious weather event

eid O'Brien, a first-year apprentice from Tauranga, faced off against Cyclone Fili – and won!

With extreme winds and heavy rain wreaking havoc on sites around the region, Reid did what had to be done to make sure work could continue through the weather.

An inspection was due, and Reid faced a race against time to ensure everything was ready for it. Luckily for his employer, Reid is made of tough stuff.

"I chucked on some wet weather gear and put up a Coleman gazebo," he chuckles. "I also made sure all the electrical leads were well away from the rain and kept working. No rainy day is too rainy to stop work around here!"

Reid may have been uncomfortable, but he says he learned to embrace the discomfort. if it means getting work done on time and to a high standard.

"The experience taught me that, rain or shine, you have to keep pushing forward, even if it means getting a bit wet and outside your comfort zone." He makes it sound routine, but Apprentice of the Month judges reckon he went above and beyond. That's why Reid has been crowned as May's winner and scored a \$200 Prezzy card.



## **APPRENTICE OF THE MONTH - APRIL**

With a deadline looming and his boss off with Covid-19, April's Apprentice of the Month went the extra mile – and then some – to make sure the business delivered

roy Fowler, a first-year apprentice from Hawera, is getting heaps of one-on-one training as one-half of a two-man crew.

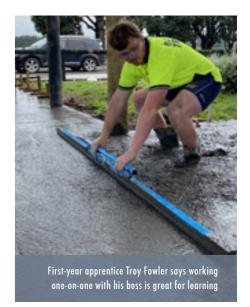
While working directly with his boss offers plenty of educational perks, it posed a massive challenge when he had to isolate due to Covid-19. With just the two of them working to finish a job, Troy was left to tackle the remainder of the build alone.

"Luckily all the Restricted Building Work was completed and I was in constant contact with my boss, making sure everything I was working on was up to scratch, but it was a push," says Troy.

The Apprentice of the Month judges reckon "a push" is an understatement, given Troy took on extra responsibility and sacrificed his personal life – working 11-hour days and travelling over an hour each way to finish the job in time for the electricians to come in.

"It was pretty full on, but I just put my mind to finishing the task at hand. What else could I do? I wasn't going to miss the deadline."

Troy says his boss was pretty grateful and receiving a Swanndri voucher for being selected as the April Apprentice of the Month was the icing on the cake – though he isn't sure what he's going to buy yet!



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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 support do you feel is best to encourage apprentices?

> $3_{rd}$ YEAR

Name: Conrad **Location:** Wairarapa

I don't know if there's a best way to encourage apprentices, but I do think schemes like Apprenticeship Boost and Fees Free are important. The Apprenticeship Boost programme specifically has been a big help to my employer, as it's expensive to train new people. Aside from the time investment, you need to add the cost of tools for apprentices to use, and I can't tell you how many I've already broken!

I'm glad the Government has extended the Apprenticeship Boost until 2023. It was due to end in August and I think that would have had a big impact. Costs are rising so fast in the industry that every dollar helps and some employers might have decided against taking on an apprentice without the extra help. Hopefully, I'll be qualified soon and I can start to pay back my boss' investment in me by being more productive on jobs.

I think Fees Free has helped a lot of people, who couldn't previously afford to get into building and access training, which is great for the skills shortage. On the other hand, sometimes I think it's important to know the value of things and use that as a motivational tool rather than getting something for free.

YEAR

Name: Morgane Location: Otago

Being able to access a pre-trade course for free was important for me – I wouldn't have done it otherwise and therefore wouldn't be in the industry! I decided to do it because it was free (via The Targeted Training and Apprenticeship Fund), and it was only a year long, so I figured if I didn't like building, I wouldn't lose much – but by the time it was over I was hooked!

I didn't want to jump straight into an apprenticeship, because I would have been locked into a four-year commitment, which seemed like a massive decision when I had no idea if I wanted to do it or not. If it wasn't for the free pre-trade course, I probably would have ended up doing architecture instead.

I know that the scheme finishes at the end of 2022 and it would be good if that could be extended, as there could be other people in the same position as me – they just want to try it out to see if building is right for them. If fees are reintroduced, the industry could miss out on those people and right now the construction sector needs as many apprentices as possible. There's already a skills shortage on site and most of the builders I meet are generally a bit older!

Name: Ben

**Location:** Canterbury

I think the Fees Free scheme has been the most important programme for apprentices. In all honesty, it was the main reason I looked at getting into the trade. I thought about going to university but it's so much more expensive and courses are longer. One of the most attractive things for me was being able to make a steady income and not have to pay for the learning.

I'm not sure if my fees will be covered next year. I should be okay either way, because I've been able to earn money while not paying for the first two years of my apprenticeship. I can definitely see some people being put off coming into the trade if they have to pay.

I know for a fact the Apprenticeship Boost has been a big help to employers. When I first started, my boss only had one other apprentice and now he has taken on three more in the space of a year!

I think the Apprenticeship Boost has led to an increase in places available to apprentices, as more businesses look to take on one or more and the Fees Free scheme encourages apprentices into the industry. Together, they create a good supply cycle, so I'm glad at least the Apprenticeship Boost has been extended.

## PAC FOR STACK GAME STACKS UP!

#### PAC members took their skills online to win big with PlaceMakers latest apprentice-focused competition

earning new skills all day long means apprentices can sometimes crave entertaining but easy distraction come break time, so PlaceMakers Apprentice Crew decided to make it happen!

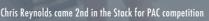
For four weeks, hundreds of PAC members played Stack for PAC - the game where the more you stack, the higher your score! Spot prizes were awarded each week, but the top three walked away

with some generous prizes to award their top-level play!

First-place winner Campbell Shearer received a \$500 House of Travel gift card, second-place winner Chris Reynolds received a \$250 Noel Leeming gift card and third-place winner Jean-Claude Fletcher received a \$150 Prezzy card. Nice work PAC mates! ■

For four weeks, hundreds of PAC members played Stack for PAC the game where the more you stack, the higher your score!









DEWALT POWERSTACKTM

## WHAT'S ON

## PLACEMAKERS PRODUCT PICKS



DEWALT introduces the world's first major power tool pouch cell batteries designed for the construction industry.

The Revolutionary engineering of the DEWALT POWERSTACK™ 18V Compact Battery delivers 50% more power in a 25% more compact design and offers twice the lifespan.

The battery includes several features to optimise functionality, including an LED fuel gauge that displays the battery's state-of-charge, helping the end user avoid unplanned work stoppages. It also features a durable, non-marring, rubber over-mould that provides impact resistance while helping to protect finished surfaces.

The battery is ideal for cutting, drilling and fastening applications, precision and finishing tasks, and when working in tight spaces. DEWALT POWERSTACK<sup>TM</sup> 18V is compatible with all DEWALT 18V XR tools and chargers in the 18V XR system.



Scruffs delivers iconic workwear with great design at its core. Innovative materials ensure protection, durability and comfort. That's no strapline, that's fact.

The Trade Flex Softshell is the next evolution, offering serious comfort, with maximum movement. It's breathable, water-resistant and features a high, fleeced-lined collar for warmth. Adjustable hem and cuffs keep the drafts out and three outer zipped pockets with an internal phone pocket keep valuables safe.

with an internal phone pocket keep valuables sate.

Not only striking to look at, the Trade Flex Softshell features Abratect™ abrasion-resistant fabric to provide extra durability against scuffs and tears in high-wear areas. Dedicated embroidery panels allow you to add your logo

durability against scuffs and tears in high-wear areas. Dedicated embroidery panels allow you to add your logo as the finishing touch.

Available now from PlaceMakers along with a FREE Scruffs Beanie (offer valid until 31 August 2022).



Scan to order online.

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## **MBIE**

# A

## LBP CODE OF ETHICS



# In October 2021, the Ministry of Business, Innovation & Employment (MBIE) introduced a Code of Ethics for Licensed Building Practitioners (LBPs), with a twelve-month transition period before they become enforceable

he Code of Ethics, which comes into force on 25 October 2022, sets behavioural standards for LBPs to give both the industry and consumers clarity on what is expected from LBPs, and to hold them to account.

## WHY HAVE A CODE OF ETHICS?

The Code of Ethics will ensure high standards are maintained in the industry, while giving the public more confidence that LBPs are reputable and operate ethically.

The majority of LBPs already work to the highest professional and ethical standards. Formalising this into a Code of Ethics aligns the LBP scheme with international best practice and provides clear grounds for the Building Practitioners Board (the Board) to take disciplinary action

against practitioners who behave unprofessionally. The Board is able to issue fines or revoke licences where necessary.

Homeowners will be able to have greater confidence that, where they choose an LBP to undertake building work, those people are doing so in a safe, legal, and professional way, and that they will take responsibility for their work.

## WHAT DOES THE CODE OF ETHICS INCLUDE?

The Code of Ethics is made up of nineteen standards, which sit under the following four key principles:

#### 1. Work safely

 Take responsibility for health and safety.

- Report unsafe behaviour by others 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.
- Generally, you should follow your client's instructions unless the instructions are dangerous, are contrary to contracts or consents, or would mean you would not be acting within the law.

#### 4. Behave professionally

- Behave professionally.
- Act in good faith during dispute resolution.
- 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.

## HOW WAS THE CODE OF ETHICS DEVELOPED?

In April 2019, MBIE began work on the Code of Ethics as part of the Building System Legislative Reform Programme. In December 2019, the Minister for Building and Construction agreed to introduce a Code of Ethics, alongside other work to strengthen the LBP scheme.

In September 2020, MBIE consulted with key stakeholders and all LBPs on the proposals for the Code of Ethics. The consultation ran for eight weeks and reached out to approximately 26,000 stakeholders.

Over the course of the consultation period, MBIE received 79 written submissions, and engaged with 277 webinar attendees. MBIE took this feedback onboard and made changes to ensure the Code of Ethics met the Reform Programmes aims and the needs of the sector.

In mid-2021, MBIE made final adjustments to the Code of Ethics to make sure it would work in practice. The Code of Ethics was made by Order in Council on 26 October 2021.

## WHAT HAPPENS IF THE CODE OF ETHICS ARE BREACHED?

If an LBP does not comply with their obligations, a complaint can be made against them, which may result in disciplinary action by the Building Practitioners Board.

The Code of Ethics is not enforceable by the Building Practitioners Board until 25 October 2022. This means that complaints about someone breaching the Code of Ethics can only be made if the breach took place on or after 25 October 2022.

## WHERE CAN I FIND MORE INFORMATION?

To find out more, check out the Code of Ethics page on the Licensed Building Practitioners website:

#### lbp.govt.nz/for-lbps/code-of-ethics

To understand what the law says, see:

Building (Code of Ethics for Licensed Building Practitioners) Order 2021.

Written by Conor Topp-Annan, Senior Advisor, and the Building System Performance branch at MBIE. This article is an excerpt from Codewords Issue 107. 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 107

- 1) Why do we need a Code of Ethics?
- a) It will ensure high standards are maintained in the industry.
- It will give the public more confidence that LBPs are reputable and operate ethically.
- It will provide clear grounds for the Building Practitioners Board to take disciplinary action against practitioners that behave unprofessionally.
- d) All the above

- Which of the following is NOT part of the Code of Ethics?
  - a) Avoid harming the environment.
  - b) Comply with the law.
  - c) Inform and educate your client.
  - d) The definition of restricted building work
  - e) Price work fairly and reasonably.
- When does the Code of Ethics become enforceable?
  - a) 25 October 2021.
  - b) 25 October 2022.
  - c) 25 October 2023.

www.building.govt.nz

## **MBIE**



## **HEALTH & SAFETY CHALLENGES IN 2022**



#### The chairman of Master Brick and Blocklayers NZ shares his considerations for the toolbox meeting

s we are all aware, the last 12 months have been very challenging for all sectors of our economy and the construction industry is no exception. The mandates around the various Covid iterations have had a significant impact on all areas of the construction workplace.

The mental health impact of these Covid regulations needs to be given as much consideration as the regulations themselves. Licensed Building Practitioners should ensure it is discussed openly and regularly at toolbox meetings. Mental health has been part of the legislation for many years; however, it has often been sidelined over a focus on safety on site.

#### THE IMPORTANCE OF ASKING **FOR HELP**

Even as the make-up of the sector changes in a gender sense, a very blokey culture remains evident in many areas. The idea that it is a sign of weakness to ask for help when one is struggling to mentally

cope with circumstances that are outside of their control still prevails with many.

Whether it's staff shortages, consent delays, isolations, cash flow issues, cost rises, product shortages or transit delays, there isn't a party in the sector who has not been impacted by many of these elements. The personal circumstances of many have resulted in one of the most challenging times in our history in respect to wellbeing.

I believe that it is not a sign of weakness to ask for help, whether it's a colleague, friend, or professional adviser – it's a sign of wisdom and strength. Giving your team and yourself permission to acknowledge that the current environment has impacted our sense of wellness and wellbeing needs to be front and centre of these discussions.

There are several organisations doing great work in this area, with the aim of supporting the construction sector to address these matters and show that

it is "ok to not be ok". Within the toolbox talk space, we need to foster a culture that reminds us to look out for our mates at work, in the community and within our families. Many of the sector's associations provide resources to their members that help in managing this critical element of our workplace.

#### **RESOURCES AVAILABLE TO** START THE CONVERSATION

WorkSafe (worksafe.govt.nz) has several documents available to assist starting these conversations, including:

- Starting the conversation about mental health.
- Mental health when working from home, for PCBUs.
- Improving Work-Related Health: Mentally Healthy Work.
- Resources for maintaining mentally healthy work during Covid-19.

I believe that it is not a sign of weakness to ask for help, whether it's a colleague, friend, or professional adviser it's a sign of wisdom and strength. Giving your team and yourself permission to acknowledge that the current environment has impacted our sense of wellness and wellbeing needs to be front and centre of these discussions

The industry has also been very proactive

through the Mates in Construction programme, both here and in Australia.

Taking responsibility for our industry's

really does matter. Again, there are some

Many industry partners are also providing

excellent resources available that allow you to start a direct conversation which,

to many, is a challenging thing to do.

space for these key messages to be

delivered to you and your team.

needs sends a strong signal that this

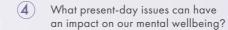
help, it is in fact a sign of wisdom". Help is available - you only have to put your hand up and ask. By Brian Miller - Chairman, Master Brick and Blocklayers NZ.

Taking these steps is not, for want of a better term, "woke". Case studies have shown a focus on health and wellbeing from an employer or PCBU leads to lower injury rates, thus less lost productivity as a result. Knowing that their wellbeing matters to the business makes a difference to how they approach their roles and those in a leadership position.

The key message to be remembered is that "it's not a sign of weakness to ask for You don't have to have all the answers – just being there and being supportive is great! Start with.... set them know you are asking because you are concerned about them. If they get upset or angry, stay calm, don't take it personally Ask questions about what is going on like: lends, community and church leaders and help them to contact em. Avoid assuming what they may need. Ask them things like Follow up in a couple of days in an emergency dial 111 if you think they, you or someone els go with the person to the neurest hospital emergence phone your local DHB Mental Health Crisis team, or visit wave mentatheelth.org.notget helpfin-cross/, or free phone or text 1737 to communicate immediately with Not sure how to start a conversation about mental health? Try some of these openers from Mates in Constructio

This article is an excerpt from Codewords Issue 107. 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 107

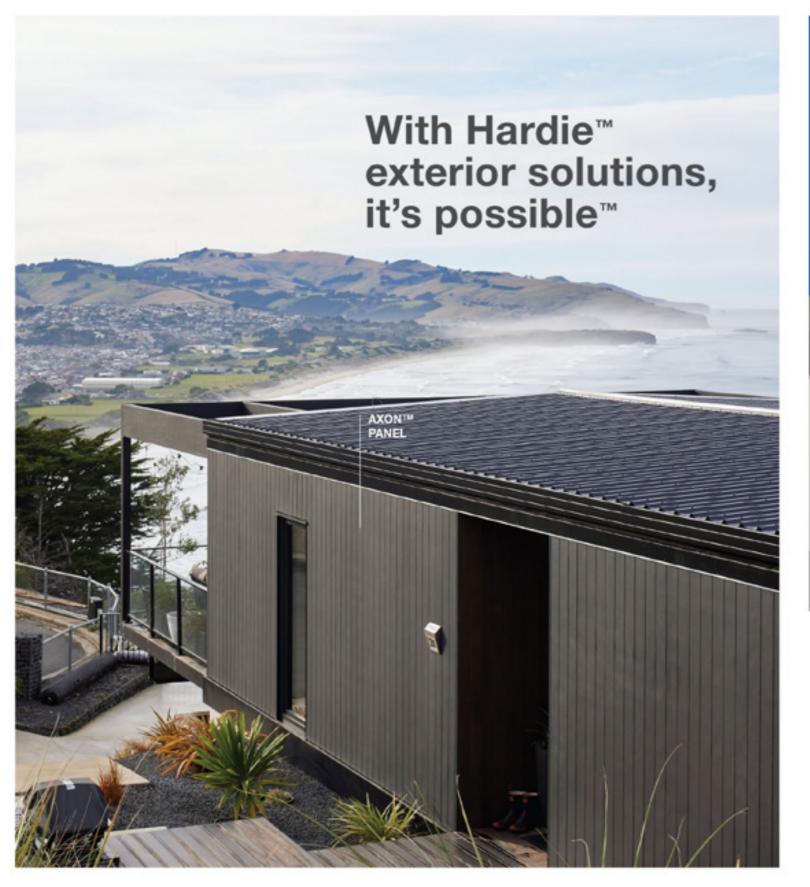


- Staff shortages.
- Isolations
- Cost rises.
- Product shortages and transit delays.
- All the above.

Is it a sign of weakness to ask for help?

- Never
- c) Only in front of your workmates.
- Where can you find resources to assist in starting these conversations?
  - WorkSafe.
  - Mates in Construction.
  - Many industry partners.
  - All the above.

www.building.govt.nz





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## **BRANZ**

## **REMOVING CONSTRUCTION SUBSTANCES**



Construction work can be messy, particularly when you're dealing with sealants, adhesives and expanding foams. Generally, the sooner any spilt substance is removed, the easier it is to clean up, but make sure you use the right solvent

he secret to successful removal of spilt construction substances is understanding their composition and characteristics and using the correct solvent for the particular substance.

#### STAY SAFE DURING USE

Before using sealants, adhesives or expanding foams, you should be familiar with the product's material safety data sheet. This is provided by the manufacturer and contains information about the product including handling, hazards, precautions to take and dealing with spills.

Construction substances and the solvents used to clean up and remove them are often strong chemicals that must be handled and disposed of with care. Always follow the manufacturer's instructions for handling and use. General precautions taken during their use include:

- Using personal protective equipment (PPE).
- Using a respirator when recommended to do so by the manufacturer.
- Ensuring that spaces are well ventilated.

#### LATEX AND SILICONE SEALANTS

There are two categories of sealants – acrylic or latex and silicone:

- Latex sealants are typically used for filling gaps between the wall or ceiling and trims, where the sealant is not frequently exposed to water and where painting may be required.
- Silicone sealants provide

   a waterproof barrier, so they are
   typically used around baths, showers,

sinks and toilets. They also have reasonably good resistance to weathering and UV and can be used in a range of exterior applications.

## REMOVING LATEX SEALANT RESIDUE

Latex sealants clean up well with water so spills should be wiped up immediately with a damp cloth.

Once hardened, the only way to remove residual latex sealant is by scraping. Apply heat (depending on the substrate, use a heat gun or hairdryer or pour on hot water) to soften the sealant and make removal easier.

## REMOVING SILICONE SEALANT RESIDUE

Silicone sealant residue should also be removed as soon as it is spilt, as it is difficult to remove once it has cured. Depending on the surface, a cloth dipped in rubbing alcohol (isopropyl alcohol), methylated spirits (also referred to as denatured alcohol) or mineral turpentine may be used to remove residual sealant before it has cured. Before applying any solvent, always spot test on an inconspicuous part of the substrate.

Once sealant has cured, the first step is to scrape off as much residual sealant as possible using a scraper or putty knife. How to remove the remaining residual sealant depends on the substrate:

- For non-porous surfaces such as metal, glass, plastics: wipe over the residual sealant with a cloth or sponge soaked in mineral turpentine or methylated spirits. The solvent will soften the sealant, making it easier to scrape off. If the solvent used is mineral turpentine, wash the area with mild detergent and warm water once the sealant has been removed.
- For porous surfaces such as concrete, timber and brick: use a heat gun or hot water (concrete and brick only) to soften the sealant. Once softened,



the residual sealant can be scraped off. Wipe the area with a cloth dipped in rubbing alcohol to remove any remaining residue if required. An alternative for concrete is to soak a cloth in rubbing alcohol and place on the residual sealant. Leave for several hours or overnight until the sealant has softened and can be scraped off. Dab on more rubbing alcohol as necessary to keep the sealant soft while scraping.

For carpet: scrape up as much sealant as possible, then dab rubbing alcohol onto the remaining sealant, working it through the carpet fibres with your fingers while wearing gloves. Leave for a few minutes, then dab off using a damp cloth and warm water. Wash the carpet using mild detergent and warm water to remove the rubbing alcohol if required.

## REMOVING CONSTRUCTION ADHESIVE RESIDUE

Residual construction adhesive should also be wiped up as soon as possible using rubbing alcohol, white vinegar or a proprietary adhesive remover.

Once dry, it becomes very difficult to remove.

To remove construction adhesive once it has dried, scrape off as much as possible

using a scraper or putty knife. On timber, take care not to gouge the scraper into the timber. Removal of the remaining residual adhesive depends on the substrate:

- For non-porous surfaces such as metal, glass, tiles and some plastics: soften the adhesive using rubbing alcohol or white vinegar, or by heating. Take care not to overheat glass or plastic surfaces. Scrape off the softened adhesive, then wipe with a cloth dipped in mineral turpentine to remove any remaining residue. Wash the area using mild detergent and warm water to remove any mineral turpentine.
- For concrete: pour boiling water onto the adhesive and leave for several minutes to allow it to soften. It can then be scraped or scrubbed off.
- For timber flooring and decking, and granite, marble and engineered stone benchtops: acetone may be used but must be used cautiously. Always first test the substrate in an inconspicuous location with a small amount of acetone. If there is no damage to the substrate, dab a small amount of acetone on the dried adhesive to soften it, then gently rub or scrape the area to remove the adhesive.

## REMOVING CONSTRUCTION ADHESIVE FROM CARPET

To remove construction adhesive from carpet before it has dried, use paper towels or cloths to remove as much as possible. Dab the residual adhesive with a cloth soaked in white vinegar or rubbing alcohol. Rinse the cloth in warm water and repeat until the adhesive has been removed.

Alternatively, use a proprietary adhesive remover but test a small section of the carpet in an inconspicuous location first to ensure that the remover will not damage the carpet. Follow the manufacturer's instructions to remove the adhesive.

Adhesive that has dried onto the carpet fibres will generally need to be cut out.

## REMOVING POLYURETHANE FOAM INSULATION RESIDUE

Use acetone to dissolve uncured polyurethane foam by dabbing or wiping the substrate with a cloth dipped in acetone, then rub the area to remove the foam. Always first test the substrate in an inconspicuous location with a small amount of acetone.

Acetone will not work on cured polyurethane foam, so once it has cured, the polyurethane foam must be scraped or sanded off.

Article by Alide Elkink, Freelance Technical Writer. This article was first published in Issue 189 of BRANZ Build magazine. www.buildmagazine.org.nz. Image 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!

- 1) How should you remove latex sealant residue?
- Wipe with a damp cloth with water, or once hardened, apply heat to soften the sealant and then scrape it off.
- b) With a cloth dipped in rubbing alcohol.
- c) Spray it with white vinegar and then scrape it off.
- 2) How should you remove construction adhesive from carpet?
- a) Before it's dried, use paper towels or cloths soaked in white vinegar or rubbing alcohol. Rinse the cloth in warm water and repeat until the adhesive has been removed.
- b) Apply heat, wait for it to dry and then scrape it off.
- Soak the stain in methylated spirits and then rub it off.

- 3) How should you remove construction adhesive residue from concrete?
- Pour a mix of boiling water and acetone onto the adhesive and scrape off immediately.
- b) Soften the adhesive using white vinegar or by heating, then scrape off.
- c) Pour boiling water onto the adhesive and leave for several minutes to allow it to soften. It can be scraped or scrubbed off.

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## **ATFA**

## WHY IS MY FLOOR CUPPING?



There can be several reasons why a solid timber strip floor may take on a cupped appearance where the board edges are higher than the centre of the board. This case study looks at the process of investigating why a floor cupped and how to fix it

upping of timber boards is often the result of a moisture imbalance through the timber boards. At other times, it is expansion pressure in the floor. By working through the process covered in this case study, you can identify the cause and remedy.

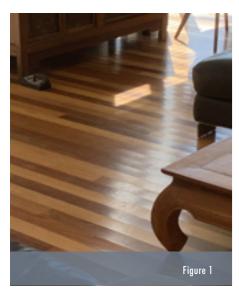
#### THE FLOORING PRODUCT

The flooring was solid 80×19mm mixed timber that had been fixed in secret with staples and adhesive to a particleboard subfloor on LVL timber joists. The floor had been coated with a water-based polyurethane.

## WHAT IS BEING INVESTIGATED AND WHY?

When viewed in reflected light, the cupped shape to the boards in the flooring was quite evident (see Figure 1). There are three possible reasons a floor will have a cupped shape:

- Dry conditions above the floor.
- Moist conditions beneath a floor.
- Expansion pressure causing boards to peak at their edges.



Unless affected by specific heat sources, the industry would generally expect a floor to have a flat appearance, as did the owner in this case.

## WHAT NEEDS TO BE CONSIDERED?

The first aspect to consider is whether the boards are tight at adjoining edges or not.

If gapping is present, it often means that the moisture content has reduced from the time of installation with dry or very dry conditions prevailing above the floor.

If, however, board joints are tight, the floor is generally under some expansion pressure and either moisture beneath the floor or pressure effects in the floor are causing the cupped appearance. Check to see if cork expansion joints, if installed, have compressed. Measurement over 10 boards allows you to consider floor expansion.

Another aspect to be assessed is the moisture content of the flooring. For this, both resistance and capacitance moisture meters can be used. A resistance meter will mark the board surface and may not be appropriate to use.

A capacitance moisture meter does not mark the board surface but will often only provide an indicative measure of board moisture content.

With a floor like this, it is useful to consider the humidity of the environments the floor is exposed to, including beneath the floor in the subfloor space and other subfloor aspects. Figure 2 shows the subfloor space in the case study.

#### **INVESTIGATION**

During the inspection, it was observed that the board edges were tight and the cork expansion joint had closed a little. This was consistent with the floor being under some expansion pressure, but how much pressure?

The measurements over 10 boards only recorded an average board width of 80.2mm, so there was not a lot of expansion or expansion pressure.

Assessing the moisture content with a capacitance moisture meter gave variable results, which were considered to be due to a range of species in the floor and, in this instance, was not that helpful. It was also not appropriate to use the resistance meter.

So where to from here? The next step to continue the investigation was by assessing the relative humidity within the dwelling, outside the dwelling in a sheltered area and beneath the floor.

The dwelling's family room spilled out onto a covered deck, and with patio doors open, we would expect similar relative humidity readings inside and out. We found 67% in the dwelling, 66% outside and 80% in the subfloor space. A 14% difference between external and subfloor humidities is a significant difference. You would expect the subfloor space to be a little cooler and a little more humid, but this degree of difference is greater than expected. Converting these relative humidities back to equivalent timber moisture contents, they would equate to 12% inside and 16% in the subfloor space.

What other observations are there from the subfloor space? It was apparent that the ground sloped and that the subfloor area could be prone to seepage. There was also only significant ventilation from one end and a lack of adequate crossflow ventilation. In areas of no cross-flow, the soil was damp and resistance moisture



meter readings in solid pine framing members were high at 17% to 19% (see Figures 3 and 4).

#### **ANALYSIS AND OUTCOME**

With a bit of investigation, the factors contributing to the cause of the cupping began to fall into place.

Due to both seepage and insufficient cross-flow ventilation, subfloor relative humidity was being maintained at high levels for extended periods, causing the moisture content of the particleboard and lower floorboard to rise. This imbalance in the moisture content of the strip timber flooring above had caused the cupping.

Higher moisture in the lower section of the board causes it to expand more than the upper exposed surface – the consequence of this being the cupped

shaped of the boards. In this case, it was not overly severe.

A plastic moisture vapour barrier over the soil can be very beneficial. In some cases, dealing with seepage can require subfloor enclosed drainage and perhaps a pumping system.

A lack of cross-flow ventilation can be addressed by the addition (and/or clearing) of vents. At times, mechanical systems have needed to be installed.

## WHAT WE CAN LEARN FROM THIS?

There are two lessons we can take away from this case study.

Firstly, if you are laying floors over an enclosed subfloor space, undertake a site assessment. In this instance and with little effort, the lack of sufficient ventilation and presence of seepage should have been identified. These would then be raised with the builder and/or owner to correct. The flooring would not be installed until remediation of the subfloor space and moisture contents of the subfloor over which you would be laying are back to normal.

Secondly, if inspecting a cupped floor over an enclosed subfloor space, don't confine your investigation to only what is happening above the floor. The most valuable information is often gained from what is happening below the floor and considering relative humidity differences.

Reproduced with permission from Australasian Timber Flooring Association Timber Floors Issue 44.

Read more on www.atfa.com.au.

## PROVE YOUR KNOWLEDGE

PARCEMANTE,

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

4) How many boards should you measure over to consider floor expansion fully?

- a) 20.
- b) 30.
- c) 10.

- 5) What should you do if laying floors over an enclosed subfloor space?
- a) Nothing.
- Undertake a site assessment and raise any issues with the builder/owner.
- c) Make sure to get the subfloor moisture contents down to 0%.
- 6) What does it mean if gapping is present?
  - The floor is under some expansion pressure
    and either moisture beneath the floor or
    pressure effects in the floor are having
    an effect.
- b) The moisture content has reduced from the time of installation with dry or very dry conditions prevailing above the floor.
- c) Cork expansion joints, if installed, have compressed.

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## **LEGAL**

## **CLIENT ISSUES? YOU HAVE OPTIONS**





While most projects will run smoothly, what can you do when things get bumpy? Duncan Cotterill Senior Associate Alysha Hinton discusses the various dispute resolution avenues below

isputes can easily arise between a head contractor and subcontractor, between a client and contractor, with the council or another construction professional. For a cost effective and timely resolution, it is important to consider informal steps before escalating to formal forums of recourse.

#### **RESOLVE IT YOURSELF**

In the first instance, parties involved in a dispute should always try to reach a resolution between themselves directly. Clear, frank and prompt communication can prevent a dispute from escalating and becoming far more expensive to resolve. Good communication can ensure that a functional working relationship is maintained and prevent future disputes from arising. The more adversarial a dispute becomes, the more likely it is to damage the relationship between the parties.

To effectively address the dispute yourself, you should check the basis of your arrangement so that you are clear on your

position. Review any written contracts for relevant terms which address the issue and your previous correspondence to establish what was expected of you and what your obligations are before you discuss a solution.

If you can reach a resolution, the agreement should be recorded in writing. Ensure the key background details and issues are accurately recorded so they can be referred to later.

If you can't reach a resolution, the next step is to check your contract to see if a dispute resolution process is specified such as adjudication, arbitration, or mediation. You can then begin that process.

#### CONSUMER PROTECTION RIGHTS

You should also consider your position in relation to the consumer protection laws that apply to building work.

For example, all residential building work is covered by the implied warranties in the Building Act 2004. These

warranties protect the work for up to 10 years regardless of whether there is a contract or not, or the cost of the building project.

The Consumer Guarantees Act 1993 (CGA) and Fair Trading Act 1986 (FTA) may also apply. The CGA applies to building services but not to the buildings or materials. The CGA provides:

- Tradespeople need to work with reasonable skill and care; and
- Tradespeople need to fix work that isn't competently done at no extra cost, or an owner may arrange another tradesperson to do that work and pass on the costs to the original tradesperson.

The FTA ensures consumers cannot be misled about products or services.

#### **FORMAL COMPLAINTS**

Where a building practitioner is licensed or connected to a trade or professional body, they could be subject to a formal

complaint. This would likely be in relation to their workmanship or conduct.

#### **DETERMINATIONS**

The Ministry of Business Innovation and Employment (MBIE) is able to issue determinations (legal binding decisions) in relation to certain disputes to do with building work, such as a disagreement with a notice to fix. MBIE is limited in its scope and will not consider disputes about workmanship or contractual disputes.

#### **MEDIATION**

Mediation is an alternative dispute resolution process where both parties try to come to an agreement that is facilitated by an independent third party, the mediator. The mediator does not make a final decision but helps the parties to resolve the issue through discussion. The parties must agree to participate and agree on a mediator. It is an informal and often comparatively inexpensive forum; however, it is not guaranteed that an agreement will be reached.

#### **ARBITRATION**

Arbitration is similar to mediation. It requires the parties to agree to participate and on the selected arbitrator. It is less formal than court but resembles a private

court process because an independent party, the arbitrator, decides the outcome. The arbitrator's decision is binding and enforceable by the courts. It can be as costly as a lower court process but is likely to be more time-efficient.

#### **ADJUDICATION**

Adjudication is similar to arbitration – a fast dispute resolution process for resolving building disputes. Adjudication is an option for all construction contracts (verbal or written) under the Construction Contracts Act 2002, even where no dispute resolution process is specified. The orders made are for an interim period but generally are accepted by the parties and usually further proceedings are not required to enforce the decision. The benefit of this option is the construction work is not unduly delayed.

#### **DISPUTES TRIBUNAL**

The Disputes Tribunal is a simplified, faster, and less expensive legal forum which hears a broad range of disputes. It is an informal setting where parties are self-represented, and a binding determination is made by a referee rather than a judge. It is the role of the referee to hear all the evidence and determine what is fair in the circumstances. Their determination can

be enforced by the courts. You can claim up to \$30,000 and, while you cannot be represented by a lawyer in the Disputes Tribunal, you may wish to seek legal advice to help you prepare.

#### **DISTRICT COURT**

If you have exhausted all other informal measures, or if your claim exceeds the \$30,000 limit of the Disputes Tribunal, you can consider making a claim in the District Court. This should be your last option and it is recommended that you seek legal advice before initiating a claim. Legal proceedings are often costly and far slower than other dispute resolution forums.

If you have exhausted all other informal measures, or if your claim exceeds the \$30,000 limit of the Disputes Tribunal, you can consider making a claim in the District Court. This should be your last option and it is recommended that you seek legal advice before initiating a claim

If you have any questions about engaging independent contractors, or if you are someone who has been engaged as an independent contractor but you believe you are an employee, 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

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

- 7) All residential building work is covered by the implied warranties in the Building Act 2004. How long is it covered for?
- a) Up to five years.
- b) Up to seven years.
- c) Up to 10 years.

- 8) Under what Act is adjudication specified as an option for all construction contracts (verbal or written), even where no dispute resolution process is specified?
- a) Construction Contracts Act 2002.
- b) Building Act 2004.
- c) Consumer Guarantees Act 1993.
- 9) To what does the Consumer Guarantees Act 1993 apply?
- a) Buildings and materials.
- b) Buildings, materials and building services.
- c) Building services.

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**

## **KEEP PROPER RECORDS!**



#### Keeping detailed records of conversations and work done could save you if a job turns sour. **BuiltIn expert Ben Rickard explains**

uiltln is currently dealing with a claim that relates to work a builder did back in 2018. Four years after completion, the job has turned nasty and they're being taken to the Disputes Tribunal.

The details are confidential; however, BuiltIn can reveal generalities. The client installed a floating floor in a residential home, after which the homeowner arranged for a woodburner to be installed. During installation, the homeowners screwed through the floating floor, which meant the timber was unable to expand and contract. This caused it to warp and the builder is now being held liable.

Keeping written records may seem like a pain at the time but could save your bacon if a job comes

back to bite you later

The builder had warned the homeowner of this potential issue before the woodburner was installed but, unfortunately, these warnings are not recorded in writing. If they were, it would have substantially aided his defence. BuiltIn is hopeful that the evidence is clear enough that the client will not be held liable for the damage, but this situation serves as a timely reminder that a quick email to confirm a conversation could save your bacon down the track.

#### HARD EVIDENCE REQUIRED

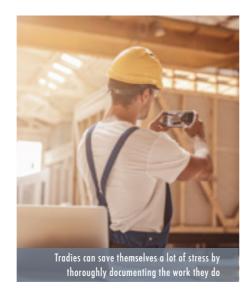
In a second claim, BuiltIn's client was alleged to have performed substandard work and an independent report identified several failings.

The client says the poor workmanship identified in the report relates to work done by different contractors after he suspended work at the site. However, he has not been able to present any evidence to support this assertion, such as photos of his work or the status of the job at the time he ceased work.

Without his own evidence and, in the face of the independent report, he has so far been unsuccessful in challenging the claims against him.

#### **IN A NUTSHELL**

Keeping written records may seem like a pain at the time but could save your bacon if a job comes back to bite you later.



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

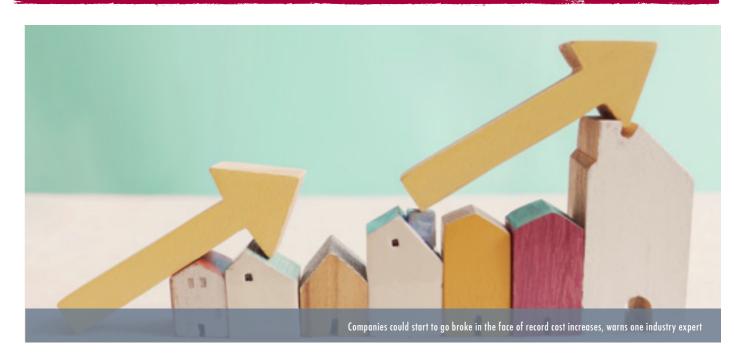
## PROVE YOUR KNOWLEDGE

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

- Why is photo evidence important if the quality of your work is called into question?
- Because the judge can't rule in your favour without hard evidence.
- b) It's good for exposure.
- So everyone can give you compliments c) Because it's the polite thing to do.
- Why should the builder have confirmed their advice in writing?
- a) To remind the homeowner why installing a woodburner was a bad idea.
- To cover their tracks in case a dispute was raised later.
- 12) What steps should you take to leave an adequate paper trail?
  - a) Don't just rely on spoken conversations - make sure you document them.
  - b) Take photos of all your jobs, completed or not.
  - c) All of the above.

## **INDUSTRY FEATURE**

## **RMBA: 'COSTS COULD BREAK BUILDERS'**



#### Construction costs have increased by record amounts in the year ended 2021, prompting warnings from the Registered Master Builders Association that some firms may go broke

hanks to an increase in new building consents, supply chain disruptions and labour shortages, it's now 7.3% more expensive to build than it was last year, according to CoreLogic's Cordell Construction Cost Index (CCCI).

This has prompted warnings from David Kelly, Chief Executive of the Registered Master Builders Association, who said cost increases could be the straw that breaks the camel's back.

Smaller builders have little leverage over supply of materials; they don't have as much leverage over consent authorities as bigger businesses do: and they're struggling to complete jobs and get paid. It's a very

- David Kelly, RMBA Chief Executive

serious situation

"Smaller builders have little leverage over supply of materials; they don't have as much leverage over consent authorities as bigger businesses do; and they're struggling to complete jobs and get paid. It's a very serious situation."

#### **RECORD RISES**

The CCCI shows that New Zealand hit an annual inflation rate of 7.3% which surpasses Q4 2017's cyclical peak of 6.9%.

To add further insult to injury, NZ's quarterly cost inflation broke records in Q1 2022 with 2.4%, beating the old high of 2.2% for Q1 2021.

Kelly said the increase in inspection wait times, as outlined in Under Construction on pages 28-29, is having a serious impact on builders.

"Additional delays to consents means you've got to wait longer for inspections, which makes it even harder to manage projects and harder to get specialist trades in when required, which means builders can't move through construction

stages. It could be a tipping point, which could break the back of some building services."

#### **SWAMPED SERVICES**

Record new dwelling consents, with 49,800 registered in the year to February 2022, will place more strain on builder's resources. The CCCI forecast that costs will continue to rise throughout the year as completion delays and material shortages sweep through the industry.

"I wouldn't rule out a period of doubledigit cost inflation into next year too, especially if the Ukraine-Russia situation keeps the pressure on oil prices and global shipping, even if/when Omicron's impact fades," said CoreLogic's Chief Property Economist Kelvin Davidson.

"One implication of the capacity pressures for house building is the time between dwelling consent and completion could increase further."

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## INDUSTRY FEATURE

## INSPECTION WAIT TIMES UP, CONCERN GROWS



## Consents are needed at various points throughout a house build and while average wait times vary across the country, they've ballooned for several South Island councils

hristchurch City Council's current inspection wait time is 33 working days, which has increased dramatically from 2019's average of two to three days.

The situation is a little better in Dunedin, which has a waitlist of 10 days – still more than double its 2019 average of four days.

Interestingly, the North Island's major population centres remain unaffected by these problems, as Auckland and Wellington's inspection wait times have remained relatively unchanged.

"Our experience is that wait times have come down over the past 12-18 months," said SLC Builders Director/Lead Builder Cory Carroll. "We work around Greater Wellington and the two councils we deal with, Lower Hutt and

Wellington City, generally have good lead times and flexibility."

The increase in stabilisation of North Island inspection times has been put down to pauses in projects due to material shortages, allowing time to play catch up and/or good luck, with fewer staff off sick due to Covid.

Deciding who to blame depends on who you ask. Chief Executive of the Registered Master Builders Association, David Kelly, thinks that inspectors have been hit with an unfortunate double whammy.

"We're working with consent levels
New Zealand has never seen before
and councils are under extreme pressure.
When you combine that with poor
staff levels, either due to struggles
recruiting or Covid absences, you get

the situation we're in now."

Peter de Gouw, Director of Christchurchbased Home Trends Builders, blamed a shortage of inspectors for the Garden City's woes.

"They've had 18 months to work it out, hire more staff and train them, but they haven't done it," he said. "We're seeing consents increase by 30% but staffing levels have remained the same!"

A third factor, according to New Zealand Institute of Building Surveyors Vice-President Darryl August, is a vicious cycle of poor-quality builds and the burden that places back on the system.

"Passes and fails are probably a big driving factor in New Zealand, because we still have a huge number of building companies and builders that are not building to the appropriate standard they should be."

He added that failed inspections would have to be rebooked, which placed pressure back on the system.

Katrina Bach, the Acting Chief Executive of the New Zealand Certified Builders Association (CBA), told *Under Construction* that it was important to note that some councils were keeping on top of inspections.

"While there are a lot of councils with increases in waiting times for inspections, it is not all councils. Some councils have been working hard to improve response times and timeframes have improved from last year."

#### PRESSURE TO BUILD QUICKLY

Regions across New Zealand experienced a huge increase in the number of homes consented in 2021, compared to 2020.

In Canterbury, the number of consents issued over the year increased from 5,896 to 7,714, while Otago went from 1,979 to 2,341. Nationwide, consents were up 24% compared to the year ended 2020, from 39,420 to 48,899.

More building projects also means more inspections are required – a task which councils also need to carry out and which they are struggling to complete. Most sites require between 11-15 inspections before final sign-off.

## LONGER WAIT TIMES COST MONEY

Bach added that delays were creating unsustainable problems for everyone.

"They have considerable impact on those carrying out the building work. It pushes times frames out and causes delays and holdups in the building process, which has a knock-on effect for all involved.

"This adds to cost increases and exacerbates the current difficulties and challenges being faced by the building sector and homeowners. It is also

contributes to escalating house prices because it increases build costs."

## TECHNOLOGY NEEDS TO BE EMBRACED

So how should the problem be managed? Bach suggested a mixture of bureaucratic alterations and training.

"Streamlining some of the consenting process and the number of inspections being carried out would definitely assist. So too would councils putting more, well-trained resources into their building consenting and inspection functions."

RMA's David Kelly thinks turning to technology is one way councils could fight their way out of the mess.

"There's a BRANZ app called Artisan," he told *Under Construction*. "It lets builders take a record of construction and can be used to verify key details so the building inspector can run an inspection from the office. Builders should be using Artisan.

"Uptake has been patchy so far, and Artisan isn't suitable for every inspection, but it has been well developed and piloted and could make a significant impact in terms of reducing inspection times providing there's consistent understanding on how to use it by councils and builders."

Home Trends Builders Director Peter de Gouw agreed.

"Virtual inspections are a great idea and must be used more; however, the Council also needs to embrace it. We tried to get virtual pre-roof inspection but they won't do them, because they said it's too dangerous, which is ridiculous."

BRANZ isn't the only organisation to pilot a medium to allow virtual inspections

– Master Brick and Blocklayers has just released a similar App for its members that seeks to supplement inperson inspections with virtual ones as required. It can be used to send video or photographic confirmation of tasks appropriately completed, and products used by brand and type. For security

purposes, it has the ability to confirm the GPS location of the work and that an LBP is providing the evidence from their own device.

"The evidential trail that a modern appbased system can provide allows officials, builders and clients to have considerable comfort that the work viewed meets the appropriate Building Code and New Zealand Standards with confidence," says Master Brick and Blocklayers Chairperson Brian Miller.

Under Construction will highlight these new virtual inspections options in more detail in the next issue.

## RELATIONSHIP BUILDING CAN'T BE IGNORED

Kelly said he was encouraged by the Ministry of Business, Innovation and Employment's (MBIE) review of the inspection system and would like to see them go further to reward good practice.

"MBIE recognises that councils can't solve problems by themselves and they've accepted that a review is needed. We'd like to see regulation that rewards builders, who have a good track record and excellent past behaviour, with a fast-tracked inspection process. This would give builders an incentive to lift their game, put in consistent practices that work, dial down their reliance on councils to pick up mistakes and generally lift standards."

SLC Builders Director/Lead Builder Cory Carroll added that councils should look to maintain relationships with tradies.

"The biggest challenge for councils is keeping their experienced inspectors, who have relationships with local professionals. They know who the competent builders are and they know who to keep a closer eye on."

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## INDUSTRY FEATURE

## **ENGINEERING INCOMPETENCE EXPOSED**



Earlier in this issue, concerns about engineers' entitlement to the highest Design licences under the Licensed Building Practitioners scheme are highlighted. Following on from this, *Under Construction* explores instances of engineers being reprimanded for shoddy work

ithin the past six months, Engineering New Zealand has disciplined two engineers for flawed buildings and inadequate designs.

## CHRISTCHURCH ENGINEER DE-REGISTERED

An 'incompetent' engineer has been struck off the register after his design was found to be non-compliant with the Building Code.

Joo Cho, of Seismotech Consulting Ltd, was struck from the register of chartered professional engineers and banned from reapplying for registration for two years, after 10 structural aspects of the 230 High Street building he designed in Christchurch were found to be not in compliance with the Building Code.

Cho was also ordered to pay approximately \$12,500 (plus GST) towards costs incurred by the investigation.

The eight-story steel framed building at 230 High Street was designed in 2015 and engineers from a different

firm informed Cho of their concerns after a graduate spotted issues with the building while it was under construction. When Cho dismissed those concerns, they approached Christchurch City Council and Engineering New Zealand.

"This sparked Christchurch City Council to review the structure in 2018. That review found the structure did not appear to comply with the Building Code," said a statement on the Engineering New Zealand website.

"Mr Cho disagreed with the findings and the Council sought a determination from the Ministry of Business, Innovation and Employment (MBIE). The determination, released in December 2019, found the building did not comply with the Building Code on 10 of 13 points of concern raised by the complainant."

The investigation discovered peer reviewers raised concerns with Cho during the design phase, which he dismissed, including about the modified lateral bracing. The design was also modified during construction.

MBIE also determined that the following were not in accordance with B1/VM1:

- Column splice capacity.
- Modified brace (ground level, Grid 6).
- Calculation of seismic loads, torsional stability.
- EBF column hold down bolts.
- Column on Grid 5-H.
- Pile capacity.
- Raft foundation (punching shear).
- Precast stairs at landing.
- EBF active link connections to minor axis of column.
- EBF links against the stairwell.

The Disciplinary Committee "reprimanded Cho in the strongest terms possible," and "expressed deep concerns" about his behaviour.

Additionally, it found that he breached his obligations under the Code of Ethical Conduct by dismissing the peer reviewers' concerns.

The building owners are now taking legal action against Cho, the Council and those behind the building's design and construction.

## CENSURED AND FINED FOR NEGLIGENCE

Another engineer, Kevin O'Connor, was censured and fined for negligence relating to his involvement in signing PS1 producer statements. PS1 statements indicate that design work complies with Building Code and other standards.

Engineering New Zealand's
Disciplinary Committee stated: "We

are concerned that there is a pattern of behaviour over a sustained period of time where Mr O'Connor has signed off, and taken responsibility for, a building design by signing a PS1 with limited information to justify the sign off – generally his own cursory review of the design and reliance on the checking engineer's word that checks had been undertaken."

Five Masterton buildings were found to be inadequate, while another engineer was fined for his involvement in signing off a sixth inadequate design.

Concerns were first raised in 2015, after which Engineering New Zealand brought MBIE on board as the regulatory authority. A subsequent review found structural deficiencies in the six buildings.

Engineering New Zealand Chief Executive Richard Templer said: "This inquiry was involved and complex, requiring six Investigating Committee reports, expert advice and two final Disciplinary Committee decisions."

Upon the conclusion of the review, O'Connor was ordered to pay a fine and costs totalling \$38,500 (plus GST).

As a result of the case, Engineering
New Zealand said: "Engineering
New Zealand is also making changes to
its accreditation scheme for Chartered
Professional Engineers, including stronger
assessment criteria and discipline-specific
assessment for high-risk sub-disciplines
such as structural engineering."

## **ENGINEERS FALL UNDER MBIE MICROSCOPE**

#### A new registration and licensing regime has been announced for professional engineers

abinet has agreed to the
Ministry of Business, Innovation
and Employment's (MBIE)
proposal to develop a bill to introduce
a two-tiered regulatory system for
engineers and establish a new regulator
to provide oversight.

While engineers are not currently required to be registered, many choose to do so by becoming Chartered Professional Engineers. Under the proposed legislation, all engineers will need to be registered and those in higher-risk disciplines will need to be licensed to practise.

To gain registration, all engineers will need to hold a minimum qualification, be subject to a code of ethics and meet continuing professional development requirements.

To be licensed for higher-risk work, engineers will need to meet stricter competency criteria and reapply for their licence to be renewed periodically.

#### **HOLD ENGINEERS TO ACCOUNT**

"While a large number of engineers are highly professional, there are too many that are practising with no checks on their professionalism or competence and there are few means to hold them to account if their standards slip," said Amy Moorhead, Manager Building Policy at MBIE.

"Improving the regulation of engineers will minimise the potential for things to go wrong, protect New Zealanders from the risk of unexpected remediation costs, and give the public greater confidence that professional engineers are all acting within their areas of competence."

Moorhead said the new regulation has been proposed following lessons learned from failures in New Zealand and overseas, particularly issues brought to light by the Canterbury earthquakes.

"The new regulatory regime for engineers will help minimise the possibility of further failures happening from new engineering work," she said.

An Engineers Registration Board will be established to be supported by a Registrar, Complaints Officer and Disciplinary Committee. MBIE will fulfil the Registrar and Complaints Officer role initially.

The decision was made following public consultation. MBIE received 250 submissions, mostly from engineers, and 81% agreed engineers should be subject to regulation.

#### **CHANGE WELCOMED**

Engineering New Zealand (ENZ)
President Rosalind Archer welcomed
the announcement, adding that "the
profession has been calling for
strengthened regulation for many years."

ENZ is New Zealand's professional body for engineers, with around 20,000 members. It represents and regulates its members and acts as the Registration Authority for Chartered Professional Engineers.

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## **INDUSTRY FEATURE**

## OFFICIAL: OVER A YEAR TO FINISH NEW HOMES

A new release from Stats NZ indicates that it takes most new homes 15 months to reach final inspection, and two further months to receive a code compliance certificate

hile the number of consents issued month-on month and year-on-year is a staple news item in the building industry, information on how many of these consents become homes, and how long that process takes, hasn't been readily available – until now.

Released at the end of May, the Experimental Building Indicators: March 2022 quarter report uses inspections and code compliance certificate (CCC) data to provide an estimate of construction timelines and completion rates.

Stats NZ reiterates that it is a snapshot of the national picture, as it only includes data from 22 building consent authorities, covering 40% of building consents issued and 60% of new homes consented.

Construction Statistics Manager Michael Heslop said the report was currently a one-off proof of concept.

"With these experimental building indicators, we are looking for feedback from our customers on which insights

are useful and how the information could be improved to better suit their needs "

#### A YEAR-LONG WAIT

According to the numbers from the December 2020 quarter, on average it takes 455 calendar days to get a new build to the final inspection stage. The time to achieve a CCC was nearly three months longer, at 519 days.

The report noted that building consents for stand-alone houses tend to reach the final inspection and achieve CCCs more quickly than consents for multi-unit homes (such as apartment buildings, townhouses, and retirement villages).

Meanwhile, in the December 2021 quarter, the median time from a dwelling being consented to first inspection was 114 days.

The number of new dwellings that received a CCC in the March 2022 quarter was down 6.8% from the March 2021 quarter.

#### MUCH-NEEDED INFORMATION?

Building consent records have consistently been surpassed throughout the past 12 months and March 2022 saw three records set, including the highest number of consents in one month and the first time the annual number of building consents passed 50,000.

David Kelly, Chief Executive of the Registered Master Builders Association, said the wider industry should look at the data with interest: "This data provides important information on building completion timeframes, which. could be beneficial in helping the sector understand its productivity and, in turn, business profitability".

"We would like to see this information continue to be gathered and published. Over time, it can provide useful insights into the fluctuating building cycle."

Builders can provide feedback by emailing building.activity@stats.govt.nz.

## \$230M APPRENTICESHIP BOOST EXTENSION

#### Payments to businesses that take on apprentices will now run until the end of December 2023

riginally due to run from August 2020 to April 2022, the Apprenticeship Boost initiative was extended by four months in March 2021 and now for a second time, by a further 14 months.

The scheme was designed to support firms that hire apprentices by paying out \$1000 a month for the first year and \$500 a month for the second year. To date, it's provided support to 17,000 employers.

Going forward, support will be dropped to \$500 per month for the first year, while

the second will remain at \$500.

"A \$230m investment as part of Budget 2022 provides for another 24,000 apprentices getting Apprenticeship Boost support and some 14,000 to keep being supported beyond August this year," said Education Minister Chris Hipkins. "There are already 17,000 employers involved in the programme and today's investment means new employers can join up."

Apprentice numbers have risen considerably since the Apprenticeship Boosts introduction, added Hipkins.

"Over the past two years, more than 190,000 people have benefitted from government investment in trades training, including apprenticeships. There has been a 55% increase in the number of apprentices since the start of the pandemic."

Businesses can apply for the Apprenticeship Boost if their apprentices are enrolled in an apprenticeship programme approved and funded by Tertiary Education Commission or Managed Apprenticeship programme and have done less than 24 months of their training.



## THE SUCCESSFUL BUILDER

## **CHANNEL YOUR INNER HEDGEHOG!**



## The Successful Builder business coach Graeme Owen says that being busy isn't always the road to maximum profitability

inding yourself running in all directions? If so, you're not alone.

Many builders I speak to are run off their feet keeping up with the demands of their business in the current building industry climate.

A common question I get asked is: "so, can I do anything about it"? The answer is yes, you can!

In his book Good to Great (2001),
Jim Collins draws on the old fable about
the fox and the hedgehog. The fox hunts
the hedgehog. He runs around every
which-way, darting in here, sneaking
up and jumping out there, trying to
capture the hedgehog. He tries all kinds
of tactics, but he fails every time –
because the hedgehog is a master of
one thing and one thing alone: defence.

He rolls into a ball and sticks out his spines. It wins every time! On the other hand, the fox is a master of none.

Now Collins draws on the story to formulate his 'Hedgehog Concept'.

It's in busy times that business owners tend to act like a fox – rushing here and there doing heaps of different things without any clear focus. The result is often lots of energy expended, yet very little achieved.

When that same business owner focuses on what they (and/or the business) does best and gives it their full attention and enthusiasm, they tend towards better results. Just like the hedgehog – it is safer to do one thing really well than heaps of things not so well.

So how do you apply the lesson of the hedgehog?

#### 1. FIND YOUR PASSION

It's always hard to do work about which you're not passionate. For example, many trades people I know didn't really enjoy sitting at a desk in school. It was boring. But put them in a garage with tools and materials and they'd turn out all kinds of stuff. What's more, they'd stay in that garage for hours on end – even missing dinner – because making things is their passion.

So, what is it that you or your company does that you are really passionate about? And don't tell me 'good quality work'. That's too vague. Go for the stuff that really gets you going. Start talking with your team about their reasons for

going to work (your company purpose)

– about what makes them willing to go
the extra mile (their passion), about
what excites your clients (your company
mission). Get these things aligned and
you will locate huge resources of
untapped energy and power.

For example, one of my clients decided that what really lights his fire is visualising innovative solutions for his customers. It's something his design team gets excited about and it's what makes the foreman's job interesting and challenging. His clients buy into their enthusiasm and love interacting with them.

What difference would it make if you were able to unlock the full passion potential of yourself, your team and your clients?

Study the metrics of your business to discover what your main economic engine is. You may discover that one aspect of your business is way more profitable than another

#### 2. WHAT YOU DO BEST

The hedgehog does one thing better than all others. So, think about what it is that you do better than anyone else – in your world. It may help if you eliminate the things that you are not the 'best in your world' at doing, as it helps you focus. Sure, it will take time, but when you locate one thing that you and/or your company are really, really good at, you can then grow your sense of success by being repeatedly successful in that one thing.

If you can build your marketing and sales around that one thing, it will set you apart from all others.

For example, another of my clients discovered that in his area, he was the best re-roofer. By utilising his building and renovation skills with the relatively straightforward work of roofing, he was able to quickly teach his team how to become really, really good at it. And then he was able to market it with confidence.

#### 3. PROFITABILITY

Study the metrics of your business to discover what your main economic engine is. You may discover that one aspect of your business is way more profitable than another.

Some time ago, one of my clients realised that he was extremely good at training 3rd and 4th year apprentices to lead small teams of 1st and 2nd year apprentices on standard group home new builds. At that time in his area, while new builds provided steady work, they were not highly profitable. However, when we analysed his teams' performance, we discovered that the new-build part of his business was the most profitable.

So, it can be very worthwhile to discover what parts of your business are the most profitable.

#### 4. OVERLAP

Once you have identified the above three things, then look for places where they overlap. That area of overlap can become your 'Hedgehog Concept'.

Once you know it, you can then shape your company vision around it and start to focus your thinking about how to work that vision out in all areas of your business.

Go the hedgehog! ■

Go the hedgehog!

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!

- 13) What is the Hedgehog Concept?
- Your overlap between profitability, what you do best and where your passion lies.
- A section of the Building Code that deals with protected species.
- When big companies take over smaller ones.
- 14) What should you look for when you study your numbers in great detail?
  - a) The jobs you do the most you should try to do more of them.

c) Areas where you can slowly start to

- The jobs that are making you the most money – this is what you should focus on.
- Does being busy automatically mean profits will be higher?a) No, you could be putting your energy
  - into badly paying jobs.

    Yes, all money is money.
  - No, you could be stretching resources too thin and risk performing poorly.
  - d) A and C.

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Demi Round 20

Demi Round 40

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Classic VJ 100



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## INDUSTRY FEATURE

## **MULTI-UNIT CONSENTS CONTINUE TO CLIMB**

The number of new multi-unit homes consented in the year ended April 2022 increased 33% compared to the same period in 2021, surpassing stand-alone home in the same period for the second time ever

f the 50,583 new homes consented in the year ended April 2022, there were more multi-unit than stand-alone homes consented – including 25,687 and 24,896 respectively. Flats, retirement village units, apartments and townhouses fall into the multi-unit home category.

"The year ended April 2022 marked the second time ever that there have been more multi-unit homes consented than stand-alone houses in a 12-month period [in New Zealand]," Construction and Property Statistics Manager Michael Heslop said.

This milestone reflects a gradual shift in the type of homes New Zealanders are planning to build. In five years, the annual number of multi-unit homes has nearly tripled – from 9,191 in the year ended April 2017 to 25,687 in the year ended April 2022.

"At the same time, the annual number of stand-alone houses consented has remained relatively flat, rising from 21,179 in the year ended 2017 to 24,896 in the year ended April 2022," added Heslop.

CODEWORDS

The trend was consistent in the monthly consent figures as well. For the month of April 2022, there were 3,719 new homes consented, comprising 1,653 stand-alone houses and 2,066 multi-unit homes (1,625 townhouses, flats and units, 264 apartments and 177 retirement village units).

#### REGIONAL RECORD BREAKING

Two regions, Wellington and Waikato, broke records for the highest number of new dwellings consented in the year ended April 2022 compared to the year ended April 2021 – with 3,839 and 5,157 homes consented.

There were also big gains for Canterbury (8,489 or 34% more new homes) and Auckland (21,468 or 18% more new homes).

Despite the records, the seasonally adjusted number of new homes consented in April 2022 fell 8.5% compared with March 2022. This increase followed a seasonally adjusted rise of 6.2% in March 2022. The seasonally adjusted number of stand-alone houses consented also fell 5.6% in April 2022.

#### **CANTERBURY BOOM**

New homes consented per 1,000 residents across New Zealand was 9.9, up from 8.4 in the year ended April 2021.

Among the biggest increases were Canterbury, which rose from 9.7 homes consented per 1,000 residents to 13.1 and Auckland (10.6 to 12.5). Conversely, Hawke's Bay (6 to 5.4) and Taranaki (6.4 to 6.1) suffered drops.

## NON-RESIDENTIAL BUILDING CONSENTS ALSO CLIMB

In the year ended April 2022, non-residential building consents totalled \$8.5bn, up 11% from the year ended April 2021. The building types with the highest value were:

- Education buildings \$1.5bn (up 0.7%).
- Factories \$1.3bn (up 21%).
- Storage buildings \$1.2bn (up 22%). ■

## PROVE YOUR KNOWLEDGE



LINDER



ISSUE 107		СО	NSTRU	CTION		JULY / AUGUST 2022			
1	<u>(5)</u>	1)	6)	11)		For ease of record keeping, use this coupon to collate your answers from within this issue			
2	6	2)	7)	12)		of <b>Under Construction</b> and then sign and date			
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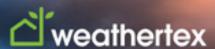
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