

Building: 116 Lichfield Street
CBD Christchurch

Owner: Eelco Wiersma
Wiersma Family Trust

Insurer: AMP General Insurance (underwritten by Vero Insurance)

Loss Adjusters: Cunningham Lindsey NZ Ltd

Engineers: RD Sullivan & Associates Ltd
Structex Studio2 Ltd

Building Consultant: Sergon Building Services Ltd
(Subsidiary company of Cunningham Lindsey NZ Ltd)

Building Contractor: Leighs Construction
Fortis Construction Ltd (Both engaged by Structex)

The owner's insurer appointed Cunningham Lindsey to report on the damage and estimated repair cost caused by the earthquake of 4 September 2010 to the above building so that it could consider the associated insurance claim.

We have been requested by the Royal Commission to provide an outline of our involvement with regards to the steps taken to obtain assessments/inspections of the building after the 4 September 2010 earthquake and to comment on remedial works carried out if any.

We have reviewed our file and confirm that two separate emergency works procedures were carried out prior to the 22 February 2011 earthquake, one after the 4 September 2010 earthquake and another after the Boxing Day 2010 earthquake.

We elaborate as set out in the following chronology:

9 September 2010

AMP instructs Cunningham Lindsey in relation to the owner's claim following the 4 September earthquake.

15 September 2010

Loss Adjuster Jason Lavington (herein LA) of Cunningham Lindsey visits the site. Present at this meeting are the owner of the building and the LA.

The owner walks with the LA around the building noting damage that had been observed. The owner advises that, after the 4 September earthquake, he engaged structural engineers RD Sullivan & Associates Ltd to report on the safety of the building. Richard Sullivan from RD Sullivan & Associates visited the site on 7 & 14 September 2010.

The only hazard identified on site as of 15 September 2010 was loose brickwork to parapet walls around the central light well/fire exit stairwell. Because of this hazard, Mr Sullivan advised the owner to block off the fire exit stairwell and stop use of levels 1 and 2.

Below the fire exit stairwell was the original reinforced concrete vault, which was used by a bank in prior ownership. The roof of this vault forms the base of the fire exit stairwell. It was thought the roof was strong enough to withstand bricks falling onto it from the parapet.

Based on the verbal advice given to the building owner by the engineer the owner no longer used levels 1 or 2 but continued to use the ground floor in relation to a hair salon business.

22 September 2010

LA forwards first report to AMP seeking claim acceptance and confirmation that a structural engineer be engaged so that repair cost schedule and remedial works procedure could be identified.

Sean Gardiner, Structex Studio2 Ltd e-mails RD Sullivan & Associates Ltd (herein RD Sullivan) with regards to loose brickwork and water tanks around stairwell area as they are carrying out make safe works to neighbouring building, 114 Lichfield Street. Sean Gardiner asks for approval from RD Sullivan's client, Eelco Wiersma and or insurer to proceed with the suggested repairs.

23 September 2010

Before confirming claim acceptance, AMP requests a full structural engineer's report so that they can have a better idea of what the overall repair estimate will be. AMP also requests a copy of the lease agreement so that it can ascertain who is ultimately responsible for the repair cost. (This is because some lease agreements state that the tenant is responsible for the building and its insurance).

LA explains to the building owner that his insurer has requested a full engineer's report and cost estimate of associated repairs before confirming claim acceptance. LA explains that, as the owner of the building, he is responsible for ensuring the elimination of any hazards/safety concerns that may be identified on site and that any associated cost in addressing these issues would in the meantime be for his account. (Repairs would need to proceed on a without prejudice basis in the interim).

LA contacts Richard Sullivan of RD Sullivan & Associates requesting that he provide a full report detailing the necessary remedial works and associated cost.

24 September 2010

RD Sullivan e-mails owner of the building with regards to Structex carrying out repairs to the neighbouring property, 114. RD Sullivan suggests to the building owner that the stair treads also be repaired whilst the suggested make safe works are carried out in conjunction with 114. In relation to the concerns of the building owner with regards to whether 114 are using the upper levels, RD Sullivan says they are not sure but will forward the owner's concerns to Structex for Structex to discuss with the owner of 114.

RD Sullivan e-mails Sean Gardiner LA's contact details for 116 confirming that RD Sullivan has forwarded the owner of 116 a copy of the suggested make-safe repairs.

LA receives a call from Sean Gardiner of Structex who explains that he was carrying out engineering works to the adjacent building at 114 Lichfield Street. Mr Gardiner points out the loose brickwork around the fire exit stairwell on 116 Lichfield Street, which was adjacent to 114 Lichfield. LA explains that the owner of 116 Lichfield Street was aware of this hazard and that the owner had boarded off the entrances to this stairwell and stopped using levels 1 and 2 as recommended by his engineer. LA also explains that Cunningham Lindsey cannot authorize any repairs as it is waiting for a full engineer's report to enable insurers to consider the claim.

Sean Gardiner follows this up by forwarding an e-mail to the LA asking if they can instruct the works to proceed. LA calls Sean Gardiner and advises him to contact the owner of 116 directly so he can discuss suggested repairs as Cunningham Lindsey cannot authorise any repairs until they have full engineers report to hand and claim has been cleared by the insurer.

29 September 2010

LA sends e-mail to Structex stating they cannot authorise repairs and request costings for the suggested repairs to 116 Lichfield so that they can present to the insurer. LA was awaiting AMP's acceptance of the claim and it could potentially speed up the repair process to have these costings to hand.

Structex e-mails LA saying that they feel the suggested repairs need to be carried out as a matter of urgency however they have requested a cost estimate from the builder. LA calls Sean Gardiner and again explains that they cannot authorise repairs and that Structex will need to liaise with owner of 116 directly.

4 October 2010

Sean Gardiner e-mails Mike Frost of Leighs Construction Ltd with regards to cost estimate for suggested repairs

Brett McAllister of Leighs Construction e-mails estimate of suggested repairs to Sean Gardiner.

5 October 2010

LA receives costings from Structex for the suggested repairs. LA contacts the owner and Mr Gardiner explaining that AMP is still waiting for a detailed comprehensive engineer's report from RD Sullivan and advises that Structex would need to liaise directly with the owner with regards to any proposed remedial works.

18 October

Sean Gardiner e-mails owner of 116 asking that he call so they can discuss the building.

19 October 2010

Owner of 116 replies to Sean Gardiner's e-mail explaining that it is hard to call and asks if Mr Gardiner can forward any questions by e-mail.

Structex e-mails owner of 116 requesting confirmation to proceed with removing the bricks above the central light well/stairwell area. Structex explains repairs are on a without prejudice basis (in the sense that AMP may not pay for them) and that the builders may have to invoice the owner directly. Structex suggests that the water tanks also be removed at the same time. We presume the owner authorizes these repairs to proceed.

22 October 2010

Structex e-mails LA asking if claim acceptance has been cleared and confirms repairs are nearly done.

27 October 2010

LA leaves several messages with RD Sullivan to get back to him with regards to full report. LA contacts Richard Sullivan who had been unable to revisit the site as requested. LA calls AMP and explains that Mr Sullivan had not revisited the site as requested due to workload. AMP agrees that Structex is to be engaged in substitution for Mr Sullivan. LA asks Mr Sullivan to forward any site inspection reports that he may have to date. (These were forwarded to LA 28 October 2010).

Structex engaged to provide a full structural engineer's report confirming repairs carried out to date were on a without prejudice basis. Update sent to AMP re engagement of Structex and confirmation that the owner had instructed Structex and Fortis to eliminate hazards identified on site on a without prejudice basis at this time.

1 November 2010

LA receives e-mail from Structex asking if site inspection report from RD Sullivan is enough for the insurers. LA forwards site inspection note to AMP. AMP confirms that it still wants to wait for full engineer's report before considering claim acceptance. LA e-mails Structex explaining that AMP requires a full report before it can consider the claim and that any repairs carried out to date have been done on a without prejudice basis.

17 November 2010

Structex sends LA a proposal of how they intend to carry out a full report process.

6 December 2010

LA chases Structex for report. Confusion by Structex with regards to appointment notwithstanding that LA had sent Structex conditions of contract/appointment of consultant on 27 October 2010. Sean Gardiner of Structex confirms receipt of appointment, provides proposal of how it intends to carry out the works and confirmation that he has contacted the owner and arranged to meet on site the following day.

20 December 2010

Cunningham Lindsey receives full engineer's report dated 20 December 2010 from Structex. Under the heading 'Structural Safety Evaluation of Building', Structex refers only to the parapets to the fire escape as being a fall hazard and preventing access to the upper levels of both 116 and 114. Structex observes that there is a water tank

supported on these parapets. Structex concludes by saying there are no apparent structural hazards to the remaining areas of the building.

(Christmas break LA Jason Lavington on annual leave until end January 2011)

27 December 2010

Due to Boxing Day 2010 earthquake Sean Gardiner of Structex revisits the site along with the Fire Service. Following this site inspection Structex sends an e-mail addressed to Ernest Duval, John Raso and the owner (Eelco Wiersma), and copied to Rob Gauld of Honey Pot café [believed to be a tenant of 114 Lichfield], LA, Craig L Lewis Bradford and Maxwell Trumpet.

Structex's only area of concern in relation to 116 Lichfield was the parapet walls between 114 and 116 Lichfield. Hazards identified by Structex with regards to 116 Lichfield Street were described as follows:

"The parapet between 114 and 116 Lichfield Street (to the north of the fire escape) had cracked at roof level and should be removed. Some of the remaining sections of parapet around the fire escape had also collapsed. A pipe junction to the roof water tank had fractured and water was spraying on to the roof. The water should be turned off to the building and the parapet around the fire escape lowered as previously suggested/instructed.

I have attached a few photos from the inspection. Also given the aftershock I just felt at around 12.15am, more damage may well have occurred."

At this time no hazards were identified to the exterior walls facing Manchester or Lichfield Street.

30/31 December 2010

The building owner e-mails Sean Gardiner explaining that a red sticker had been attached to the ground level front door of the Ruban Blades Hair Salon at 116 Lichfield Street. The owner asks if he should get the original engineer Richard Sullivan to inspect the building or whether Structex can do this.

Sean Gardiner responds to owner's e-mail and copies in LA explaining that he is on holiday and will touch base in the New Year. Sean asks if owner knows what damage is stated on the red sticker.

18 January 2011

Sean Gardiner calls Cunningham Lindsey wanting to discuss damage caused by Boxing Day earthquake with LA. Cunningham Lindsey explains that LA is on annual leave until the end of January 2011. Mr Gardiner explains that additional damage has occurred since their visual inspection of 7 December 2010 due to the Boxing Day 2010 earthquake. Mr Gardiner explains that he revisited the site on the morning of 27 December 2010 and that hazards identified on site were parapet walls between adjacent buildings, fire exit stairwell and water storage tanks on the roof.

Cunningham Lindsey instructs Mr Gardiner to proceed on a without prejudice basis with regards to eliminating identified hazards on site.

19 January 2011

Mr Gardiner e-mails JohnC1management@gmail.com [possibly of Fortis Construction] with instructions to make the site safe. Copied into this e-mail are the building owner, Ernest Duval, and LA and Yvonne Tetlow of Cunningham Lindsey.

20 January 2011

LA's hard file sent to Cunningham Lindsey, Christchurch for further assessment. Cunningham Lindsey file given to Andrew Bell of Sergon Building Services Ltd so that damage from Boxing Day earthquake could be inspected. A Cunningham Lindsey representative advised Mr Bell that the owner and the engineer were proceeding with repairs on a without prejudice basis.

21 January 2011

Site meeting with Sean Gardiner, Andrew Bell and the building owner so that additional damage could be assessed in more detail. Building still red stickered, and owner not able to use ground floor/salon.

26 January 2011

Report from Structex dated 26 January 2011 with regards to damage caused by Boxing Day 2010 earthquake sent to LA. LA still on annual leave. This report does not identify the wall facing Manchester Street as being a fall hazard. Costings from Sergon with regards to additional damage noted at site meeting of 21 January 2011 attached to Cunningham Lindsey file. Costings as per engineers report dated 26 January 2011.

Hazards identified and mentioned in the Structex's report dated 26 January 2011, under heading "*Structural Safety Evaluation of Building*" read as follows:

"The fire escape parapets and water tanks have been removed, however the walls around the fire escape remain a fall hazard to the area below. The fire escape should not be used.

The areas of loose bricks to the perimeter of the L2 ceiling should not be used. There are no apparent structural hazards to the remaining areas of the building."

This report also states that the building has been red stickered by the Christchurch City Council and that "*the building is likely unsafe to occupy*"

1 February 2011

Insurer confirms claim acceptance.

9 February 2011

Sean Gardiner e-mails Andrew Bell of Sergon a copy of the Structex report dated 4. February 2011. The report is marked as being copied the report to LA, the owner and Fortis Construction. LA did not receive the report until 9 February 2011.

The contractors on site (believed to be Fortis Construction) apparently noticed and advised Structex of further damage from recent earthquakes. Structex then visited and reported vertical cracks to the wall facing Manchester Street, and loose/dropped corbel stone in the middle of the wall facing Manchester Street.

Structex advised the high level bricks and stone blocks were a potential fall hazard to the areas directly adjacent and that they should be secured as soon as possible or the fall areas cordoned off. The report supplies a recommended repair solution for the additional damage caused though says that '*contractor to wait for insurer approval.*'

11 February 2011

Sean Gardiner e-mails Andrew Bell and LA asking if Structex can instruct works to proceed as per the Structex report of 4 February 2011. Sean Gardiner's e-mail confirms that the Christchurch City Council are aware of the issue at the risk address.

"The Council is aware of the issue and I'm sure will start putting cordons and restricting access to neighbouring properties if the hazards are not addressed."

15 February 2011

Andrew Bell and LA discuss the Structex report of 4 February 2011 and the difficulties associated with carrying out the works due to the location of the damaged area. (Area being directly over main public footpath and will require traffic management) Mr Bell and LA agree that Mr Bell would view the additional damage with Mr Gardiner on site so that they could ascertain how the repairs could be carried out. (use of scaffolding, use of crane, traffic control required, etc) The repairs would involve removing the parapet walls.

Mr Bell e-mails Mr Gardiner requesting meeting on site so he can address the recent issues and discuss repair methodology.

16 February 2011

Andrew Bell meets Sean Gardiner on site to review the damage. During this meeting Mr Gardiner recommends use of abseiling equipment so that the area of concern can be accessed easily. Mr Gardiner follows this meeting up with an e-mail to Andrew Bell asking if Structex should start the securing works and to start a detailed strength assessment and strengthening report.

17 February 2011

Andrew Bell forwards the above e-mail to LA requesting that he answer Mr Gardiner's queries.

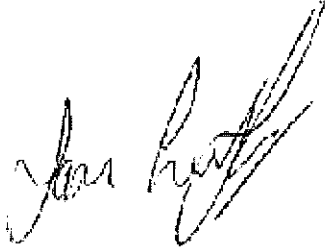
18 February 2011

Andrew Bell e-mails Sean Gardiner saying that he has sent LA the information recommending that LA authorize the remedial works to proceed. LA asks Mr Bell for details of what is required with regards to the practicalities of carrying out repairs using abseiling equipment, such as Council requirements for building consent, road closure and cordoning off the area below.

LA does not receive any report on repair methodology before the 22 February earthquake.

This statement has been compiled by Jason Lavington of Cunningham Lindsey NZ Ltd on 30 December 2011.

Cunningham Lindsey New Zealand Limited

A handwritten signature in black ink, appearing to read 'Jason Lavington', with a stylized flourish at the end.

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