

**CANTERBURY EARTHQUAKES ROYAL COMMISSION**

Tai Komihana Ruwhenua O Waitaha

UNDER the Commissions of Inquiry Act 1908

A N D

IN THE MATTER OF

**The Canterbury Earthquakes  
Royal Commission**

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**BRIEF OF EVIDENCE OF ANTONY THOMAS GOUGH**

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## BRIEF OF EVIDENCE OF ANTONY THOMAS GOUGH

I ANTONY THOMAS GOUGH state:

### BACKGROUND

1. HEREFORD Holdings Limited (“HHL”) is the registered proprietor of properties known as 89 and 93 Cashel Street, Christchurch but which are in fact the properties at 87-89A Cashel Street and 93-95 Cashel Street, Christchurch.
2. 87-89A Cashel Street was purchased approximately 40 years ago from Gough Gough & Hamer. 93-95 Cashel Street was purchased in approximately 2005 by HHL.
3. I am a Director of HHL and am authorised by it to give evidence on its behalf.

### DESCRIPTION OF PREMISES – 87-89A CASHEL STREET

4. THIS was a two storey building – ie, ground and first floor. On the ground floor there were two tenants, Three Wise Men and Deval. On the first floor there was Suite 6 of Cashel Apartments, which comprised a two bedroom apartment. The eastern wall of the property at 89 Cashel Street comprised a party wall with the adjacent property at 91 Cashel Street owned by West Mall Properties Limited. The eastern wall of 91 Cashel Street and the western wall of 93-95 Cashel Street also comprised a party wall.

5. WHEN the former tenants of the building at 87-89A Cashel Street left in about 2003, HHL undertook some significant redevelopment work. It removed an internal wall and redeveloped the frontage to the building. This work was the subject of a building consent obtained from the Christchurch City Council (and HHL is looking to produce plans and copies of any materials on file held in relation to that) and included strengthening work to the front of the building. This was by the installation of a steel frame which covered the front of the shop occupied by Three Wise Men as tenants.

6. AS a building owner HHL, and I as a Director, were aware of the requirement that ultimately the buildings would have to meet one-third of what I understood was the current building code at that time, and operative in terms of the Christchurch City Council policy in 2003. So the framing was part and parcel of the work that HHL was aware would have to be undertaken over time to meet that standard. HHL undertook

this work voluntarily, and not as a result of any requirements imposed by the Christchurch City Council or our Architects employed for that project.

7. HHL has always had a building programme pursuant to which upgrades in relation to buildings owned by it would be undertaken over time and usually coincided with development work done for tenant refits.

8. 87-89A Cashel Street was not classified as a heritage building. Essentially it was a timber in-fill building with a mansard corrugated roof. The building had no structural walls itself. It basically sat within the confines of the two buildings adjacent to it and was supported by the walls of those buildings.

9. I was not aware and have no record of any Council initiated inspection for the building in terms of the Council's earthquake prone policy. Any earthquake issue arose only in terms of building consent matters that came to the fore in terms of any refit or improvement to the building from time to time. HHL was regularly doing that to its entire building portfolio.

10. THE earthquake on the 4th of September 2010 did not affect 87-89A Cashel Street at all.

11. HOWEVER, as a result of that earthquake, the property at 91 Cashel Street owned by West Mall Properties Limited had two collapsed chimneys, one of which fell on its own roof at 91 Cashel Street and one of which fell on to the property at 93-95 Cashel Street. Both chimneys fell in an easterly direction.

12. THERE was no effect to 87-89A Cashel Street and that property continued to operate on a fully tenanted basis from 4 September 2010 without interruption.

13. THERE was no need to obtain any engineering report in respect to that building following the 4 September earthquake.

14. INDEED within the 6 month period leading up to the September earthquake HHL had removed a brick wall at the rear of the property at 89 Cashel Street and replaced it with timber and Hardiflex material. At the same time a toilet was installed at the rear of the shop. All that work was the subject of building consents obtained from the Christchurch City Council.

15. FOLLOWING the earthquake on the 26th of December 2010 I was overseas and issues arising from that earthquake were dealt with by Anna Hodgson, the Property Manager for HHL.

16. HHL was not aware of any other Council inspections or requirements for upgrades following the 26 December 2010 earthquake other than those dealt with by Anna Hodgson.

17. AS a result of the earthquake on 22 February 2011, the property at 87-89A Cashel Street was required to be demolished following the obtaining of an engineer's report from Opus Engineering and who recommended demolition.

18. PRIOR to its demolition, and in conjunction with those engineers, I was able to organise for the tenant, Three Wise Men, to be able to access the premises to remove their stock and they were successful in doing so. The building has since been demolished and the site is now clear.

#### 93 - 95 CASHEL STREET

19. THIS is also a two storey building. It was purchased by the company in approximately 2005. I was not aware of any earthquake issues arising in respect to the building when it was purchased by HHL. There were three tenants, Trocadero Bakery, a company called TS14 and A S Colour, who all occupied parts of the ground floor. The whole of the second floor was occupied by Trocadero Bakery, the ground floor being its shop and the second floor the bakery itself.

20. APPROXIMATELY 4 years ago the company explored options to alter the buildings at 93-95 Cashel Street. There had initially been three buildings back to back moving north to south away from Cashel Street. HHL demolished the back two buildings leaving just the front building and undertook earthquake strengthening to that remaining building. The party wall between 91 and 93-95 Cashel Street was strengthened on the 93-95 Cashel Street side, with a steel frame which extended from the floor to ceiling of the ground floor. The strengthening work undertaken resulted in a concrete slab being installed in the basement void. This acted as an anchor to the steel frame which in effect enveloped the ground floor shop and was bolted to floor joists and, I believe, the side walls. The strengthening work did not compromise the building's integrity which was already strengthened by significant timber beams

extending north-south within the building. The steel framing was actually installed around the existing timber beams so as not to compromise their integrity.

21. STEEL beams were also installed to give integrity to the stairwell area leading up to the second floor bakery and a steel frame was installed within the frontage of the building. HHL did not add any extra weight to existing steel framing within the building and all additional strengthening was undertaken at points below the existing structure.

22. ALL strengthening was undertaken in respect to the ground floor area only. The higher level was timber framed with masonry exterior, heavy timber roof beams and a corrugated iron roof.

23. I was aware this building was classified as a Christchurch City Council Group 4 CCC Plan Listing, and had a Category 2 building classification under the New Zealand Historical Places Trust Act.

24. FOLLOWING completion of the strengthening work to the TS14 shop HHL then moved its attention to 95 Cashel Street which was subsequently occupied by A S Colour. They were a new tenant and the opportunity was taken to upgrade and strengthen that shop as well. Similar steel work structures were put in place in that shop for earthquake strengthening and existing timber framing had been removed. Again the floor was dropped to footpath level with new timber framing and posts down towards the basement floor. The floor was chip-boarded. The height difference between the as built floor and the basement was about 1.2 metres.

25. AGAIN in respect to the building at 93-95 HHL was undertaking strengthening work to meet the one-third requirement of the then current Christchurch City Council building code. I believed all the work undertaken would have meant that the building met that one-third Code requirement. All engineering work in respect to 93-95 Cashel Street was undertaken under the supervision of Powell Fenwick, Engineers, and because of that, they were the engineers HHL consulted following the 4 September 2010 earthquake.

26. IMMEDIATELY following the 4 September 2010 earthquake, the buildings at 93-95 Cashel Street remained open having been green stickered.

27. MY understanding in respect to the “green sticker” was that the building was safe to occupy and trade from.

28. ALTHOUGH no structural damage was caused to 93-95 Cashel Street by the earthquake itself, as a result of the chimney from 91 Cashel Street falling onto the rear back wall of 93 Cashel Street, and because of some cracking as a result of that over a window, I took the view that HHL should obtain an engineer’s report notwithstanding the green sticker and engaged Powell Fenwick to undertake that inspection and complete a report.

29. THEY did so, and that report is produced. It confirmed the need for removal of the brick debris caused by the chimney collapse from 91 Cashel Street but did not recommend that anything else needed to be undertaken. It was however indicated that in due course HHL would need to complete the grouting and repainting of a slight crack above one window.

30. WHAT the engineer did, however, reveal was that he considered the damage from the chimney falling on to the property at 91 Cashel Street was something that should be looked at. 91 Cashel Street is owned by a company West Mall Properties Limited and, which my brother, Tracey Gough, owns. I contacted him to indicate that he had loose bricks on the roof which he needed to do something about. I offered, and he accepted, to instruct Powell Fenwick as my engineers to undertake an inspection for him.

31. I accompanied the engineers on that inspection. They completed a report and because I was the only entity that had an account with them, they sent that account through to HHL which it duly paid. HHL re-invoiced West Mall Properties Limited for that. However, the report was obtained solely for the benefit of West Mall Properties Limited and I had no further involvement with it.

32. OTHER than removing the fallen bricks no other work was undertaken to the premises at 93-95 Cashel Street following the September earthquake.

33. THE next event was the earthquake on 26 December 2010 and I again refer to Anna Hodgsons’ evidence in that regard.



34. I did not have any dealings with the Christchurch City Council in respect to the building following either the September or December earthquakes other than of course the dealings Anna had with the Council.

35. WHEN I returned from overseas in about January 2011, I was looking at the eastern wall of the property at 95 Cashel Street and noticed a slight lean of a parapet on the top eastern side of the building. What had happened was that previous work undertaken (and prior to the time HHL owned the building) and which involved the installation of internal guttering and flashing, had cut into the parapet area, so that the flashing could be installed and then silicone sealed. However, the cut was deeper into the parapet than was required for the flashing itself, and as a result of the earthquake that area had been compromised and appeared to have leaned further towards the east. There were no buildings affected by the lean as the immediate area to the east was a right of way which allowed access through to Cashel Street.

36. I got my builder to have a look at it and sought his recommendation. He advised that the parapet should be removed and I authorised and instructed him to undertake that work. This work was completed early in February 2011 (see photographs showing before and after construction).

37. THIS type of random inspection was typical for me, and I had undertaken similar inspections in respect to all the property portfolio owned by HHL. As a result I had authorised the undertaking of the additional work, which was not either recommended or instructed by engineers, but was part and parcel of what I saw as required work to ensure continuing safety of the buildings to, in particular, my tenants and the public.

38. FOLLOWING the 22 February 2011 earthquake, Opus Engineering was again instructed in relation to the preparation of a report and its recommendation was demolition of the property. Because of the continuing danger from the building at 91 Cashel Street engineers were unable to access the property at 93-95, but from an external inspection assessment said the building was irreparable and recommended demolition. It has since been demolished and the site is vacant.

39. IN relation to the process of stickering buildings my general understanding was that there were three categories of sticker. A green, yellow and red sticker. A

green sticker meant, as I have previously said, that I believed the building was safe to enter, occupy and trade from. I understood a yellow sticker meant that as building owner I would require specific engineering advice and would only be able to access the building in consultation with engineers and/or the Council.

40. I understood a red sticker meant that the building was unsafe, could not be entered, and that again access would be restricted and require the involvement of an engineer who would have to determine whether or not the building could be safely entered or accessed at all.

41. I also understood that there were levels of assessments undertaken in respect to determinations as to what sticker would be applied to a building. A Level 1 assessment was, as I understood it, a walk around and visual inspection of the building exterior only. This was a very quick process. Level 2, I understood to involve the owner's engineers undertaking a more extensive inspection of the building but without removal of any interior linings or invasive type inspection. A Level 3 inspection would be a full engineer's inspection and report including invasive testing, x-raying of internal structures, and preparing a full and comprehensive report on the entire integrity of the building structure. A full review of ground levels, site conditions and so on would also be undertaken in a Level 3 assessment.

42. IT is clear from the report obtained from Opus that demolition of the properties at both 87-89A and 93-95 Cashel Street occurred because of the danger posed to those buildings by the collapse of the exterior walls of the building at 91 Cashel Street. Only Level 1 and Level 2 assessments were ever undertaken in respect to the buildings owned by HHL and at which point demolition of both was recommended and eventually accepted by the company's insurers.

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