

UNDER THE

THE COMMISSIONS OF ENQUIRY ACT 1908

IN THE MATTER

ROYAL COMMISSION OF ENQUIRY INTO BUILDING
FAILURE CAUSED BY CANTERBURY EARTHQUAKES

DRAFT

STATEMENT OF EVIDENCE OF LUKE JAMES REES-THOMAS

Date of Hearing: 15 March 2012

Anthony Harper (RG Smedley)

Level 9, HSBC Tower
62 Worcester Boulevard,
PO Box 2646, Christchurch
Tel +64 3 379 0920
Fax +64 3 366 9277
www.anthonharper.co.nz

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Introduction

- 1 My name is Luke James Rees-Thomas and I live in Christchurch.
- 2 I have been asked to provide evidence to the Royal Commission relating to Knight Frank's involvement with the building situated at 738 Colombo Street in particular after the September earthquake in relation to assessments obtained and then again after the Boxing Day aftershock.
- 3 I completed a Diploma of Business at Canterbury University in 2008.
- 4 I have been a Commercial Property Manager for Knight Frank since 27 October 2010. Prior to that, I have had approximately five years experience as a residential property manager in the UK and New Zealand (including for Housing New Zealand).
- 5 I apologise for any inconvenience my non-appearance on 1 March 2012 has caused the Commission and any distress that may have been caused to Desley Thomson's family as a result. I have not attempted to avoid the Royal Commission. Simply put, Knight Frank was under the impression that I would not be required to attend the hearing unless Mr Liu was unable to answer questions. Given that the first summons was served on me at short notice, soon after I had returned from an overseas trip, Knight Frank did not consider that I was prepared enough to fully inform the Commission of my and Knight Frank's involvement. Accordingly Andy Bell instructed me that, in the circumstances, I did not have to appear on 1 March.
- 6 I am grateful for the extra time the adjournment has given me to refamiliarise myself with the file and prepare for this hearing.
- 7 As a result I have been able to locate information which I think may assist the Commission.
- 8 As part of my promotion to commercial property manager on 27 October 2010, I took over management of a number of commercial properties. Those properties included 736 and 738 Colombo St.
- 9 As far as I am aware, there has always been some confusion as to the correct address for 738 Colombo St. Occasionally it is referred to as 740 Colombo St or 738/740 Colombo St. I mention this only because some of the documents refer to 738 as 740.

Post 27 October 2010

- 10 When I took over responsibility for management of 738 Colombo St from Andy Bell, the earthquake of 4 September 2010 had already occurred.

- 11 I was aware that the tenant (Akira) had obtained an engineer's report following the September earthquake and that it had been provided to the owner. At that stage, I had not seen a copy of the report and as far as I am aware, no one else at Knight Frank had seen a copy either. That report ("the Powell Fenwick Report") was finally emailed to me by "Julie" from the OK Gift Shop on 2 November 2010 **[DOC 7 & 7A]**. On its receipt I then emailed it to the City Council in two separate emails **[DOC 8 & 9]**.
- 12 The 9 September report received from Lewis Bradford concerning 736 (referred to by Andy Bell) recommended that a full structural seismic assessment be completed on that building (736) by an engineer. I also noted that the Powell Fenwick Report recommended a more detailed structural inspection of 738. Accordingly, after a meeting with the insurer of 736 and 738, I instructed Hamish MacKinven of Lewis Bradford to conduct a structural assessment of 736 and 738 Colombo St on 24 November 2010. **[DOC 10]**. I sent Mr MacKinven access details for both 736 and 736 on 25 November 2010 **[DOC 15]**.
- 13 In any event, on 25 November 2010, I emailed Julie at the OK Gift Shop to advise her that I would visit with a structural engineer to assess the building damage and its safety, in full, noting that a brief check had been completed post earthquake **[DOC 16]**.
- 14 I knew that the Post Shop opened for business at 9 a.m. and the OK Gift Shop opened at 10 a.m. Therefore, I arranged for the engineer to conduct an assessment of the Post Shop at 736 Colombo St first, to be followed immediately after, by 738 **[DOC 16]**.
- 15 On 26 November 2010 I attended with Mr MacKinven, of Lewis Bradford, at the Post Shop and explained to him that we wanted a structural damage report for both 736 and 738 Colombo St. I left the premises shortly thereafter, assuming that Mr McKinven would follow my instructions.
- 16 However, when I received his report dated 30 November 2010, on 6 December 2010 **[DOC 17]**, I realised that he had only inspected 736 Colombo St and not 738.
- 17 Following the above, I recall a conversation with Mr MacKinven in which we discussed that a structural assessment would be required on 738.
- 18 In his report, dated 30 November 2010, Mr McKinven recommended a full structural assessment be carried out on 736. Therefore, after consultation with me, the insurer's loss adjuster Phil Buckman, instructed Mr MacKinven to perform a full structural assessment on both 736 and 738 Colombo St (which are covered by the same insurance policy).

- 19 Following the Boxing Day aftershock, a report was conducted by the tenant of 738 in conjunction with the owner Mr Liu (I understand), utilising Powell Fenwick again. I spoke to Julie of The OK Gift Shop at the time, who told me that a report had been arranged and the only maintenance issue was that the front automatic door needed realignment. I arranged for the door to be repaired. Thereafter, the tenant of 738 continued trading after the City Council's green sticker had been reapplied. I was sent a copy of the Engineer's invoice for reimbursement at the start of February. Knight Frank never received a copy of the report itself.
- 20 The tenant of 736 (Post Shop) arranged for URS New Zealand Limited (through UGL Services) to undertake an inspection of 736 following the Boxing Day aftershock. URS sent UGL their report on 30 December 2010 **[DOC 19]**. In their report URS stated that they believed 736 *"can continue to be safely occupied"* and recommended that the building owner carries out further structural inspection.
- 21 Given that Lewis Bradford had already been instructed to conduct a full structural assessment of both 736 and 738, I considered that everything was in hand.
- 22 In order to conduct the full structural assessment of 736 and 738, as instructed by Mr Buckman, Mr MacKinven asked me to provide various documents including plans of the building which I obtained from the City Council and sent to him on 25 January 2011 **[DOC 20]**.
- 23 On 19 January 2011, I received an email from FHS roofing Limited who had been instructed by me to inspect a roof leak at 738 **[DOC 22]**. In that email it was noted that *'the Colombo st Parapet (3m tall) has come adrift from the walls on either side and will need refixing to the adjacent buildings to resecure'*.
- 24 I passed this information onto Mr Buckman via email on 26 January 2011 **[DOC 23]**. Mr Buckman passed this information on to MacKinven, via email, on 28 January 2011 and asked him to *"inspect this and report as part of you (sic) investigations into the damage."* I know this, because the email was copied to me on the same day **[DOC 24]**.
- 25 The complete Council file for the buildings was not available for viewing until 8 February 2011 at which time I informed Mr MacKinven **[DOC 25 & 26]**.
- 26 Sadly, Lewis Bradford's structural report was not completed before 22 February 2011 when the tragic earthquake occurred.
- 27 I confirm that at no time during my involvement as property manager of 736 and 738 Colombo St, did I receive any instruction, oral or otherwise, from Mr Liu in respect of his property.

Conclusion

28 In summary:

- (a) The Powell Fenwick Report on 738 Colombo St was commissioned by the tenant of 738 Colombo St on behalf of its owner, Mr Liu;
- (b) The Powell Fenwick Report was not disclosed to Knight Frank until 2 November, at which time I believe it had already been disclosed to Mr Liu;
- (c) In response to the recommendations in the Powell Fenwick Report, and the 9 September report (in respect of 736) obtained by Knight Frank from Lewis Bradford, I instructed Lewis Bradford to conduct a more extensive report on both 736 and 738 Colombo St;
- (d) For reasons unbeknown to me, Lewis Bradford's report of 30 November 2010 did not cover 738 Colombo St;
- (e) Given the recommendations in the 30 November report and the earlier reports, Mr Buckman instructed Lewis Bradford to prepare a even more extensive report which required building plans and the Council file;
- (f) The complete Council file was not available until 8 February 2011; and
- (g) All of the information requested by Lewis Bradford was supplied to them however, their more extensive report was not completed before 22 February 2011 when the devastating earthquake occurred.

DATED this day of 2012

L J Rees-Thomas