

**BEFORE THE CANTERBURY EARTHQUAKES ROYAL COMMISSION**

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**STATEMENT OF JOHN MAXWELL DREW IN RELATION TO THE CTV BUILDING**

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JOHN MAXWELL DREW states:

1. I am a Director of EGT Holdings Limited. I am married to Victoria who is a registered medical practitioner and we have children aged 21, 19, 18, 15 and 5 years. Our family resides at Little River.
2. I am a Company Director of New Regent Medical Centre.
3. I was introduced to the CTV building in around February 2010 through Andrew Bevan who is a Christchurch developer. I understood that a 4/9<sup>th</sup> interest in the property was available for purchase from Mr Lionel Hunter. I understood that Mr Hunter was in partnership with Cliff and Jean and Kerry and Fay Eglings ("the Eglings") who own the remaining 5/9<sup>th</sup> share. Mr Hunter and the Eglings were proposing that when Mr Hunter had sold his interest in the property a new legal entity would be established that would hold the property on behalf of the Eglings and the new owner.
4. The reason I was interested in the CTV building was because I had resolved to relocate my medical centre which was then based at 192 Gloucester Street. I intended to become the lead tenant for the CTV building and to then convert the entire building into a medical services centre providing comprehensive medical services through independent tenancies.
5. I had no previous experience in the field of property development whatsoever and at all times I was heavily reliant on Andrew Bevan's knowledge of that sector.
6. I was looking at various options together with Mr Bevan. As well as looking at the CTV building we also looked at a property in Cashel Street that had previously owned by Silver Ferns PPCS. This building was located opposite the old Farmers building. When we discussed the benefits of that building it was noted that there were earthquake issues because in Bevan's view the building was not up to Code. He was concerned about the cost of bringing that building up to Code. He was generally concerned about problems that might arise with that building and was relying upon an engineer's report on the PPCS building that had identified a particular issue of concern with that building.

7. Mr Bevan and I agreed that we would focus on properties that had been built later in time and were therefore compliant with the current building code. I was made aware that the CTV building was built after the new Code came into effect and was an improved design on the PPCS building. As it was explained to me by Mr Bevan, changes had been made to the building code in the late 1960s prior to the construction of the CTV building.
8. As I have said, I was entirely reliant on Mr Bevan in relation to these types of matters with which I had no previous experience.
9. When Mr Bevan and I looked at the CTV building we were aware that there had been a number of upgrades to the building's fit out. I understood those upgrades had been submitted to the Christchurch City Council ("CCC") by 'Leading Edge' a company of architectural draughtsmen based in Queenstown. I understood building consents had been issued for each of those upgrades. As far as I was aware the building was code compliant and entirely satisfactory.
10. We looked at the building's LIM which was again satisfactory. Together we went to the CCC offices in Tuam Street where Mr Bevan sought out the building's report. The files relevant to the building were in two boxes. I remember we saw floor layout plans but I can't remember seeing any engineering plans and didn't see any plans with construction details. My concern was more with the physical layout of the building, its dimensions and partition plans. It was about July 2010 that I obtained copies of the floor plans from CCC detailing the layout. However once again those did not include structural reports.
11. Negotiations with Mr Hunter's solicitor continued through until about April/May 2010 when I entered into an agreement to purchase his 4/9<sup>th</sup> share. That was to be completed by way of a sale of shares in a new company that would be formed to own the CTV building. Prior to this I had parted company with Mr Bevan. We had each made independent offers for Mr Hunter's interest in the CTV building. My offer was successful and from that point onwards I operated independently of Mr Bevan.
12. My offer to purchase Mr Hunter's interest was unconditional but it was however subject to Mr Hunter obtaining a release of a caveat that had been lodged against the title and that claimed an

interest in the property and proceeds of sale. The agreement provided that I was required to settle with Mr Hunter five days after he was able to provide clear title. It was certainly anticipated this would be within a matter of weeks as opposed to months.

13. The CTV building had previously been managed by the Egglings' accountant Russell Ibbotson on behalf of both Mr Hunter and the Egglings. Mr Ibbotson subsequently resigned from the position of manager on or about May 2010 and there was therefore a vacuum in terms of management of the building.
14. During the purchase discussions I had with Mr Hunter I agreed to enter into a management agreement after the purchase had been completed that would involve me overseeing the changes to the tenancies and handle day to day concerns of tenants. A management agreement was prepared in draft but it was never signed because settlement of the purchase never took place. I was happy to undertake that role because of my intention to oversee the establishment of the medical centre and new tenancies. As it happened I took on the management role before settlement in the belief settlement would be completed very shortly.
15. Throughout this period I had a number of dealings with Mr Simon Waring who was the accountant for the company Madras Equities Limited which was the company which held Mr Hunter's and the Egglings' interests in the property.
16. Once I had entered into the agreement to purchase I oversaw the cleaning of the building, the upgrade of the garden and the redecoration of the foyer and lifts. None of this involved any structural work. In effect I became the caretaker of the building dealing with any day to day needs that arose. I would have telephone conversations with tenants regarding matters such as the carpark and the entrance foyer and decisions on their tenancies.
17. It was agreed with Mr Waring that I would be paid \$1,000.00 per month for my management role and the first invoice I issued for my fees was in May 2010. None of these matters were recorded in writing. All agreements were verbal and the only relevant documents were my invoices. I understood that Mr Waring was checking with Mr Hunter and the Egglings to ensure their agreement to such matters. My invoices were paid on a Madras Equities Limited account.

18. At this stage I was not in the building on a day to day basis because I was still running the medical practice over in Gloucester Street.

19. Following the 4 September earthquake I had a call from Mr Murray Wood of CTV to advise the building had been green stickered and that he was in the process of getting CTV back up and running.

20. After the earthquake most of my dealings with the tenants were verbal. The only written communication to the best of my knowledge was an email to tenants, Mr Guy Domett (of "Going Places" – second floor) and Graeme Dodd (of "Kings Education" – 3<sup>rd</sup> floor) dated 8 September which read in part:

*"Building has had engineer inspections. We have been green stickered. We have been cleared to occupy the building. The damage is limited to glass and plaster damage. The structural integrity of the building to date has been deemed to be OK. If this should change you will be informed".<sup>1</sup>*

21. The reference to "engineer inspections" above refers to inspections that I understood had been carried out by council engineers leading to the issuing of a green sticker for the building. I was not present for any of those inspections and do not know the names of the engineers involved.

22. That email was representative of the general discussions I had with the tenants following the 4 September earthquake.

23. Obviously I placed significant reliance on the fact that the building had been green stickered.

24. I was aware that the building had suffered some damage that I understood to be non-structural and repairable and I was highly motivated to have those repairs carried out quickly. I was very conscious that it was my intention to buy the property and that I wanted it to be fully tenanted. To

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<sup>1</sup> Bundle tab 1.

help achieve that I was keen to get the repairs carried out promptly. I was keen to get an independent engineers report and to identify what remedial work was required. Mr Waring initially dealt with the building insurers (Vero Insurance)<sup>2</sup> and to the best of my recollection I was given authority from either him or the owners to engage an engineer. I approached CPG NZ Ltd ("CPG").<sup>3</sup>

25. On 29 September I met with the engineer Mr David Coatsworth of CPG and spent part of the day inspecting the building. He was a structural engineer and was accompanied by a quantity surveyor from Rawlinsons. Together they inspected the repairs and ultimately Mr Coatsworth prepared a report dated 6 October 2010.<sup>4</sup> I asked that he provide three copies so that copies could also go to the insurer, to the building owners and myself. I understood that Mr Coatsworth had obtained plans of the building from the CTV maintenance man Peter Brown. I was not aware of the contents of those plans.

26. I received a copy of the CPG report attached to an email dated 8 October<sup>5</sup> and sent copies to Simon Waring and I may have sent copies to any tenants who requested a copy. I made further copies for those involved in the repair process. Mr Coatsworth later provided some additional photos.<sup>6</sup>

27. As regards insurance and repairs I initially dealt with Phil Hextall who was a loss adjuster with Vero Insurance and also Mike Collins, who was a loss adjuster with Cunningham Lindsey. Subsequently a loss adjuster, Michael Collins of Auckland was appointed through Cunningham Lindsey on about 8 December.

28. After that Cunningham Lindsey or Vero appointed Mainzeal with responsibility transferred to that company to carry out the repairs to the building. Mainzeal was then to send a new assessor. I was

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<sup>2</sup> Bundle tab 2.

<sup>3</sup> Bundle tab 3.

<sup>4</sup> Bundle tab 4.

<sup>5</sup> Bundle tab 5.

<sup>6</sup> Bundle tab 6.

becoming concerned that I was spending time chasing around after Cunningham Lindsey and then Mainzeal and that I was getting the run around.

29. On 19 October 2010 there was a magnitude 5.0 earthquake in Christchurch. After that I received an email from Mr Coatsworth who had, of his own volition, again inspected the building.<sup>7</sup> His email confirmed that he was unable to point to any structural damage that was worse than his previous inspection. He noted that the building was still "structurally sound" and he recommended that the repairs be carried out as soon as possible in the form of epoxy injection into the concrete cracks.
30. I received an invoice from CPG in relation to work undertaken up to 22 October 2010.<sup>8</sup> I note Mr Coatsworth refers to a second report. I do not recall ever seeing a second report.
31. My focus was to have that repair work carried out as soon as possible. I felt I hadn't received any positive support from the insurer and so I asked Simon Waring to approach the owners to see if they would be prepared to spend money on the repairs in the first instance for those costs to then be recovered from the insurer. To put it frankly I have become fed up with the insurer.
32. I was in Okains Bay on holiday with my family and out of cell phone range when the Boxing Day earthquake struck. Whilst it was felt in Okains Bay it didn't register as a major event. However the next day when I went to Akaroa for supplies and was then able to clear my cell phone messages I received advice from Faye Kennedy the Practice Manager of my medical centre in Gloucester Street that those premises had been red stickered.
33. There was also a message from Murray Wood advising that the CTV building had been green stickered and that CTV was continuing to operate from the premises. I understood Murray was letting me know about that simply as a matter of courtesy, as CTV were the building's major tenant.

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<sup>7</sup> Bundle tab 7.

<sup>8</sup> Bundle tab 8.

34. Because the Gloucester Street premises where the medical centre was based had been red stickered, I decided to bring forward the date to relocate the medical centre to the CTV Building. That relocation had been planned to be carried out in August 2011. Ultimately the relocation was completed by 10 January when the medical centre first opened for business on the 4<sup>th</sup> floor of the CTV building.
35. From 10 January 2011 my own office was located on the north side of the CTV building next to the lift on the 4<sup>th</sup> floor. I was regularly in the building between 10.00am and 6.00pm five days a week. My wife Victoria worked as a doctor in the medical clinic for full days on both Tuesdays and Thursdays.
36. On 15 January 2011 Mr Waring advised me that the property owners had agreed for me to directly approach concrete contractors to have the building inspected and to prepare quotes for repairs. Quotes were received from contractors on 15 February and 22 February.<sup>9</sup>
37. Essentially my primary efforts from October onwards was to get the repairs assessed, to ascertain the work required to carry out repairs and to obtain an authority to carry out those repairs. I felt I was being continuously hampered by the lack of support from the insurer's assessor being both Cunningham Lindsey and Mainzeal which is why I moved to have the repairs carried out independently of the assessors. I have recovered some emails recording my dealings with the insurer and my frustrations.<sup>10</sup>
38. On Thursday, 17 February I met with Mr Hunter on the ground floor foyer of the CTV building alongside the lift shaft. We then walked up the stairs viewing the concrete exterior of the lift shaft. The purpose of this meeting was to acquaint Mr Hunter with the repair work required. I was anxious to have the repair work carried out as soon as possible.
39. We then met with our respective solicitors in my office on the 4<sup>th</sup> floor of the CTV building. We discussed:

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<sup>9</sup> Bundle Tab 9.

<sup>10</sup> Bundle Tab 10.



- (a) The limited timeframe within which settlement of the purchase needed to be completed given that the High Court had set a timeline when settlement had to take place to enable the caveat to be removed. At that point there was the real likelihood that my purchase of an interest in the building would no longer proceed because Lionel Hunter could not get title to his shares.
- (b) Both parties expressed concern that the repairs would not be completed prior to settlement.
- (c) How much money should be withheld by the purchaser from the vendor, and thereafter held within a stakeholders account prior to the completion of the repair work. It was recognised that the repairs would be carried out at the cost of the insurer.

40. Notwithstanding the very significant delays in settlement and the subsequent earthquake damage to the building, I still wanted to complete the purchase of a 4/9<sup>th</sup> interest in the building. I was however very frustrated with the insurer's lack of action in authorising the repairs.

41. On Tuesday 22 February my wife and I were out of Christchurch but otherwise would in all likelihood have been in the building when it collapsed.

### **Records**

42. I had a filing cabinet in my office on the 4<sup>th</sup> floor of the building that contained all reports in my possession about the building, about the purchase and about the repairs. That cabinet and its contents were lost on February 22<sup>nd</sup>. Since then I have used by best endeavours to put together records of events and reconstruct files from the period September 2010 through to February 2011 primarily through downloading material from computer files.

43. The only engineering report I have been able to retrieve is the Coatsworth report of 6 October 2010. I have no particular memory of a second report being prepared by Mr Coatsworth (as noted on his invoice) or of a report from Rawlinsons.<sup>11</sup> Other reports that were in the cabinet relate to air conditioning, lift function and glass repair.

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<sup>11</sup> Bundle tab 11.

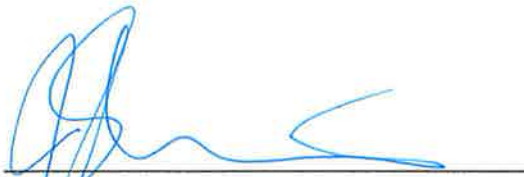
44. I do not have a copy of any letter I may have sent to tenants after the Boxing Day earthquake. I have only been able to recover documents via Gmail and if I wrote a letter that was not sent via Gmail I am not able to recover a copy.

### **My Assessment of the Building**

45. From 4 September 2010 through to 21 February 2011 I had complete faith in the structural integrity of the building. It was significant to me that the building was green stickered. I had read the structural engineers report. I had spoken with the engineer and with the quantity surveyor. I had spoken with insurance assessors and with contractors. My focus throughout this period was to carry out the recommended repairs to the building as soon as practicable.

46. I never for a minute had any thought that the building might be at risk of collapse. Since February 22, I have felt a huge sense of responsibility and am forever questioning what might have been done differently. I can honestly say that on each and every occasion that I spoke with tenants of the building and the staff of businesses located within the building, I gave what I believed to be an honest and fair assessment of the state of the building.

Signed: \_\_\_\_\_



Dated: \_\_\_\_\_

16 September 2011



# Madras Building ChCh Re; Earthquake

3 messages

John Drew [redacted]  
To: Guy Domett <guy@attg.co.nz>

Wed, Sep 8, 2010 at 4:26 PM

Dear Guy,

The building has had several engineer inspections over the last 3 days. We have been cleared to occupy the building ( green sticker), what damage there is, is limited to minor glass and plaster damage. The structural integrity of building to date has been deemed to be ok. If this should change, you will be informed. If we can be of any assistance please do not hesitate to ask.

Regards John

Guy Domett [redacted]  
To: John Drew [redacted]

Wed, Sep 8, 2010 at 4:49 PM

Thanks – you will be thrilled

Regards,

Guy Domett

Chief Financial Officer

AVIATION & TRAVEL TRAINING GROUP  
766 River Road, Hamilton 3210, New Zealand, DX GX10004  
Phone +64 7 853 0294 Fax +64 7 853 7592 (Cell 027 248-3008)  
Email [guy@attg.co.nz](mailto:guy@attg.co.nz)

TRAVEL CAREERS & TRAINING Website [www.travelcareers.co.nz](http://www.travelcareers.co.nz)  
SIR GEORGE SEYMOUR COLLEGE Website [www.sirgeorge.co.nz](http://www.sirgeorge.co.nz)  
AIRLINE TRAINING SOLUTIONS Website [www.flightattendant4u.com](http://www.flightattendant4u.com)

From: [redacted] [mailto:[redacted]] On Behalf Of John Drew  
Sent: Wednesday, 8 September 2010 4:27 p.m.  
To: Guy Domett  
Subject: Madras Building ChCh Re; Earthquake

[Quoted text hidden]

[Click here to report this message as spam.](#)



John Drew <[redacted]>

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## Earthquake claim, plus.

3 messages

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John Drew <[redacted]>  
To: Simon Wearing <simon@ibbotsoncooney.co.nz>

Tue, Sep 14, 2010 at 11:11 AM

Simon,

Our tenants are requesting info on when repairs may be done. As of today I have had no communication with an assessor. Can you give me a claim # and contact person to liase with?

Re settlement: delayed 10 days due to court closure last week. So looking at 23rd ish.

Will order steel work today.( fire-escape )

Regards John

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Simon Wearing <simon@ibbotsoncooney.co.nz>  
To: John Drew <[redacted]>

Tue, Sep 14, 2010 at 11:20 AM

John,

I notified the insurers on Thursday 9<sup>th</sup> September and haven't heard anything back yet.

I will follow it up later today.

Regards Simon W

2



John Drew [REDACTED]

4

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## 249 Madras Street

3 messages

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David Coatsworth <David.Coatsworth@nz.cpg-global.com>

Fri, Sep 24, 2010 at 4:21 PM

To: [REDACTED]

Hi John

Thank you for your time given in discussion with myself regarding earthquake damage to your building at 249 Madras Street. I understand that the building owners are interested in having an independent structural assessment carried out.

CPG NZ Ltd is a multi-discipline consulting practice incorporating structural, seismic and geotech engineering, and surveying and planning disciplines. We have experience in seismic risk assessment and design of seismic strengthening. We also have experience in cost assessment for restoration and strengthening works. We have set up an earthquake response team here in Christchurch and have been carrying out inspections and assessments for property owners including private, commercial and territorial authorities.

I understand that your building is 5 storeys high and is of reinforced concrete beam and column construction. It has a double lift shaft and services shaft. Floors are suspended concrete which cantilever out at the perimeter of the building supporting concrete spandrel panels.

With regard to damage I understand that you have some cracking of internal linings, some broken windows and a door on the top floor that has jammed.

I suggest that we should allow to carry out a thorough inspection of the building. This would include viewing the exterior from the ground, from windows, from the roof and from whatever other vantage points are available. It would also include inspecting all visible internal surfaces. I would propose that we lift ceiling tiles in appropriate places to inspect under floor surface, beams and beam-column joints where possible. For the purpose of this review I would not suggest removing internal wall linings unless there is some obvious reason to want to do this. For instance, if linings were badly damaged around a column base, then it would be logical to remove the linings to observe the structural elements. We would take photos of any damage and record locations on sketches. Structural and Architectural drawings of the building would be very helpful. If these can be made available, they will help with the understanding of the structural systems within the building.

We would then consider the information obtained from the inspection and determine if there are any patterns to the damaged observed that would explain any deficiencies in the performance of the building.

We would then prepare a report describing the building, the damage observed, comment on reasons for the observed damage and briefly comment on possible remedial works. Within the scope of this report we would not anticipate detailing or specifying repair works. Similarly we have made no allowance in our estimate for any analysis of the structure although in the event of significant structural damage it would ultimately be

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necessary to carry out structural analysis to determine strengthening and repair work requirements.

We believe that for a fee of \$3,000 plus gst we could carry out a reasonably detailed inspection and prepare a report that would be useful to the building owners.

I look forward to your response and if you have any queries regarding the building or our proposal please call me on 374 6515 or 0274 880 300.

Regards

David Coatsworth



David Coatsworth  
CPG New Zealand Ltd  
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236 Armagh Street, PO Box 13-875, Christchurch 8141, New Zealand  
[cpg-global.com](http://cpg-global.com)

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Fri, Oct 8, 2010 at 12:56 PM

John Drew [redacted]  
To: David Coatsworth <David.Coatsworth@nz.cpg-global.com>

David,

May I please request 3 copies of the report due today, thankyou. Or alternatively can one go to:

[redacted]

Regards John

[Quoted text hidden]

Mon, Oct 11, 2010 at 10:59 AM

David Coatsworth <David.Coatsworth@nz.cpg-global.com>

To: John Drew [redacted]

3<sup>rd</sup> copy waiting at reception

David Coatsworth  
CPG New Zealand Ltd  
T +64 3 374 6515 | F +64 3 374 6516  
236 Armagh Street, PO Box 13-875, Christchurch 8141, New Zealand



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From [redacted] mailto:[redacted] On Behalf Of John Drew  
Sent: Friday, 8 October 2010 12:56 p.m.  
To: David Coatsworth  
Subject: Re: 249 Madras Street

David,

May I please request 3 copies of the report due today, thankyou. Or alternatively can one go to [redacted]

Regards John

On Fri, Sep 24, 2010 at 4:21 PM, David Coatsworth <[David.Coatsworth@nz.cpg-global.com](mailto:David.Coatsworth@nz.cpg-global.com)> wrote:

Hi John

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7

purpose of this review I would not suggest removing internal wall linings unless there is some obvious reason to want to do this. For instance, if linings were badly damaged around a column base, then it would be logical to remove the linings to observe the structural elements. We would take photos of any damage and record locations on sketches. Structural and Architectural drawings of the building would be very helpful. If these can be made available, they will help with the understanding of the structural systems within the building.

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We would then prepare a report describing the building, the damage observed, comment on reasons for the observed damage and briefly comment on possible remedial works. Within the scope of this report we would not anticipate detailing or specifying repair works. Similarly we have made no allowance in our estimate for any analysis of the structure although in the event of significant structural damage it would ultimately be necessary to carry out structural analysis to determine strengthening and repair work requirements.

We believe that for a fee of \$3,000 plus gst we could carry out a reasonably detailed inspection and prepare a report that would be useful to the building owners.

I look forward to your response and if you have any queries regarding the building or our proposal please call me on 374 6515 or 0274 880 300.

Regards

David Coatsworth

Error! Filename not specified.

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CPG

Madras Equities Ltd

249 Madras Street

Damage Report

4 September 2010 Earthquake

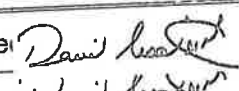
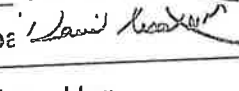
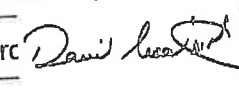
Christchurch

6 October 2010

## 249 Madras Street Earthquake Damage Report

This report has been prepared for Madras Equities Ltd by CPG. No liability is accepted by this company or any employee or sub-consultant of this company with respect to its use by any other parties.

This disclaimer shall apply notwithstanding that the report may be made available to other persons for an application for permission or approval to fulfil a legal requirement.

Quality Assurance Statement		
Task	Responsibility	Signature
Project	D Coatsworth	
Prepared	D Coatsworth	
Reviewed by:		
Approved	D Coatsworth	

Revision Schedule					
Rev. No	Date	Description	Prepared by	Reviewed by	Approved by

Prepared by:

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File No.: 702974 Report  
 Job No.: 702974  
 Date: October 2010  
 Ref: 101006 Report

# 249 Madras Street Earthquake Damage Report

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## 249 Madras Street Earthquake Damage Report

### INTRODUCTION

Following a telephone discussion with John Drew, Building Manager, on 24 September 2010, CPG NZ Ltd was invited to inspect the building at 249 Madras Street and to report on damage sustained during the 4 September Christchurch earthquake and subsequent aftershocks.

### INSPECTION

The inspection was carried out between 10:00am and 2:00pm on Wednesday 29 September in the company of John Drew and Leonard Pagan from Rawlinsons. Peter Brown from CTV was also present during the inspection of the ground and first floors occupied by CTV.

During the inspection, external walls were viewed from the ground with the exception of the west wall which is not accessible. Internal surfaces of walls in most rooms were viewed. In a few locations, ceiling tiles were lifted to view underside of floors and wall/column beam connections.

Some structural components are sealed behind fixed linings. These linings were not removed. We did not go inside the two car lift shaft.

### BUILDING CONSTRUCTION DETAILS

We have not sighted any structural drawings for the building. I understand that the Building Manager was unable to obtain drawings and Council records are currently unavailable following earthquake damage to their archive systems.

We did obtain a copy of a layout plan for the ground and first floors from CTV.

From these limited drawings and from our inspection we believe that the building consists of the following structural systems. Photo 1 Appendix 1 shows the South elevation of the building.

The building is rectangular in shape measuring overall approximately 30.5m in the east-west direction and 26.0m in the north-south direction. It is five storeys high with a lift machine room and tank room at roof level.

The two car lift shaft, stairwell and bathrooms project from the north side of the building about half way along the north wall. A concrete shear wall extends across the north side of these facilities. Finger walls project at right angles to the north side wall at each end and between the facilities; four finger walls in total. On the south side of the building, opposite the north side shear

wall, there is a further concrete shear wall in the plane of the south wall. We believe that these walls form the principal lateral load carrying systems for the building.

The remainder of the structure consists of gravity columns (mainly circular in section), perimeter beams and internal beams running in the east-west direction only at all floors. Beams and columns are all of concrete construction. Floors are of steel tray deck with concrete topping construction. Precast concrete spandrel panels are attached to the perimeter beams and weather proof the building up to window sill level.

We have no information regarding the foundations of the building but assume they consist of a combination of concrete strip and pad type footings.

## SEISMIC PERFORMANCE OF THE BUILDING

Initial reports indicate that the 4 September 2010 earthquake produced ground accelerations in Christchurch similar to those required for current design of new buildings. The building at 249 Madras Street was, we understand, designed and constructed in the 1980's. It is likely that the code required design loads at the time were similar to or lower than current requirements.

Accepted design practice requires that buildings remain standing after the 'design earthquake' but it is expected that some damage would be inflicted. The building at 249 Madras Street does exhibit considerable damage with regard to linings and finishings. There is also some minor structural damage, but there are no obvious structural failures. In that respect we believe that the building has performed reasonably well.

We have not attempted for the purpose of this report to investigate or recommend restoration systems. However, diagonal shear cracking and cracking of construction joints has occurred in the shear walls, as reported below. We believe that there has been no yielding of the reinforcement in these walls and that structurally their integrity is still sound. However we would recommend repair of those cracks with a width of more than 0.2mm with epoxy injection. The damaged linings and finishings should also be repaired.

We comment on the various types of damaged observed as follows.

### South Elevation Shear Wall

This wall is in fact what is termed a coupled shear wall. It has door holes in the middle of the wall at each storey providing access to the external fire escape. Beams across the door heads couple the walls, each side of the doors, together. The exterior of this wall is coated with a plaster splash coat. The rough texture of the finish on the wall makes it difficult to detect any cracking on the outside face, but there is one diagonal crack visible on the outside ground storey just below the fire escape landing. Photo 2.

At ground storey, the inside of the wall is strapped and lined with plaster board. The plaster

board contains some significant cracks. However, the limited portion of the structural wall itself, visible above the ceiling tiles, showed no obvious cracking.

On the first storey, the inside of the structural wall is finished with a thin skim coat of gypsum plaster painted a light colour. Some diagonal cracks can be clearly seen in the gypsum plaster and measure up to approximately 0.2mm in width.

No cracking was observed in the gypsum plaster lining of this wall at levels above the second floor. It seems likely that cracking is present in the ground storey portion of the wall, similar to that of the first storey. We would expect that any cracks present are relatively fine and similar in width to those on the first storey. We recommend that the internal ground storey strapping and plaster board lining be removed to view the structure behind. The lining is damaged and would have to be replaced anyway. Cracks greater than 0.2mm in width should be repaired with epoxy injection. The external surface of the wall should be protected against the ingress of water in any fine cracks with the application of a silicon sealer or similar.

### North Side Shear Walls

The north side shear wall and its adjoining finger walls exhibit some minor structural damage. There are some diagonal shear cracks in the walls surrounding the bathrooms and stairwell in the storeys below the second floor level measuring mostly in the order of 0.2mm in width but with three measuring possibly as much as 0.3mm in width. At higher levels there are a few finer cracks.

As visible in the stair well, there are construction joints in the walls immediately below and above each floor level. This is a normal construction practice. At almost all floor levels, cracking has occurred along part of the length of these construction joints and these cracks measure generally in the order of 0.2mm in width but with a few up to possibly 0.35mm in width. Photo 3. Again the cracks larger than 0.2mm in width should be repaired with epoxy injection and the external surface weather proofed.

At the north west corner of the north side shear wall at ground storey, a crack in the concrete is visible. We do not believe that this is earthquake damage. It is our opinion that the concrete cover thickness to the reinforcement has been inadequate here and the reinforcement has corroded. The oxidation of the steel makes it expand and this has fractured the concrete. This is not a major concern but it should be treated and repaired.

### Columns, Beams and Spandrel Panels

As stated above, we believe that the columns and beams provide gravity support only and have not been designed to resist lateral loads. However, they do have some stiffness and when the building moves in an earthquake and they do attract some load. Generally we observed very little damage to beams and columns. However there are a few exceptions. The north-east corner column immediately above the third floor spandrel exhibits some minor cracking which is very fine and in our opinion requires no treatment. At the top storey, the first column west of the



north-east corner of the building also exhibits some cracking. The appearance of the cracking is accentuated because the paint has chipped off at the cracks (photos 4). One of the south side columns at the top storey also exhibits some fine cracking. We recommend that the cracks in these upper storey columns be injected with epoxy resin.

The first floor beam on the north face of the building in the span between the north-east corner of the building and the adjacent column to the west has some fine diagonal cracking (Photo 5). We recommend that this crack be injected with epoxy resin. We did not see any signs of distress in beam column joints.

The precast concrete spandrel panels appear to have sustained very little damage. However, each side of the south side shear wall, the ends of the spandrels have been plastered. This plaster is spalling off at most levels as a result of differential movement caused by the earthquake. It is a hazard to people below. It should be removed, the concrete surface properly prepared and a strong bonding epoxy plaster re-applied. (Photo 6).

At the fifth floor level, the end of the spandrel panel on the north elevation adjacent to the lift lobby is showing signs of corrosion of the reinforcement. This can be seen out the lift lobby window. This is not a structural problem and has not been caused by the earthquake but it should be treated.

## Flooring

As described above, the floor construction consists of a composite concrete topping and steel tray deck system spanning north to south between concrete beams. These floor systems are relatively light weight and flexible and it is common for them to exhibit some deflection. At most of the floors in the building at 249 Madras Street, it is possible to detect high points in the floor over the support beams and sags in between. This is not caused by the earthquake and is a fairly normal and acceptable effect of this type of construction.

In the limited number of locations where we removed ceiling tiles and observed the floor to beam connections we did not see any signs of distress. (Photo 7).

## Non-Load Bearing Concrete Block Walls

At the west end of the building in the garage at ground storey there are concrete block infill panels between the structural columns. These block infill panels are separated by a flexible sealant from the columns. They do not appear to have suffered any damage.

At the next level up on the west end wall, the interior is timber framed and plaster board lined. It is not possible to view the exterior cladding because of the close proximity of the adjoining building. However, we assume that there is a similar concrete block wall, also separated from the

structural columns. In the north-west corner of the building, the internal lining has been damaged by movement of the building. There is a gap between the internal framing/lining on the west wall and the north-west corner column. It is possible to see daylight through this gap. We assume that the sealant in the outer concrete block wall to concrete column joint has fallen out. This needs further investigation and repair.

At ground storey, there is a concrete block wall parallel to the north side shear wall but on the opposite side of the stair well. This wall has a thin gypsum plaster coating in the stair well. At the top of the wall the plaster coating has been peeled off. It appears that it was touching one of the stair well structural walls and the differential movement has damaged the plaster. There may also be some minor cracking of the top block course which should be repaired. However, this is not a structural component and does not contribute to the integrity of the building. Photo 8.

### Internal Framing and Linings

At numerous locations at all levels, there is damage to internal framing and linings. Commonly, internal walls and their linings have been finished hard against structural walls and columns. With movement of the building during the earthquake(s), the structural components have applied in-plane loads to the stiff plaster board lined walls. There are many instances where the plaster board linings have been damaged where they adjoin the structural components. Sometimes, the plaster board has buckled some distance away from the structural wall or column. Photos 9 and 10. There are also numerous instances of plaster board cracking over door heads and under windows and elsewhere. Photos 11 and 12. Ceiling covings and skirting boards have also been damaged. At the south end of one internal north south wall on the second floor, the partition wall has racked sufficient for the double doors contained in the wall to be binding. Photo 13.

Where ceiling linings adjoin concrete columns, the plaster linings have been damaged. In some cases the rails for the suspended tiled ceilings have been buckled. Photo 14.

It would appear that partition walls running north-south have been damaged worse than others. There is some anecdotal evidence that the earthquake accelerations were higher in this direction. It also appears that the damage to partitions is worse on the second and third floors. This may be a result of the response of the building to the magnitude and frequency of the earthquake shaking.

### Windows

A few windows, particularly in the east elevation have been broken. Photo 15. This may also reflect greater movement of the building in the north-south direction. There are no windows in the opposite west wall but the damage to interior linings on that west wall is significant.

Rubber seals around a first floor window have also fallen out.



*APPENDIX 1*

FLOOR PLANS AT 249 MADRAS STREET

*APPENDIX 2*

PHOTOS OF DAMAGE AT 249 MADRAS STREET

FOLLOWING 4 SEPTEMBER 2010 EARTHQUAKE AND AFTERSHOCKS



Photo 1 South Elevation of Building



Photo 2 Cracking in south shear wall (not visible in photo) under fire escape landing

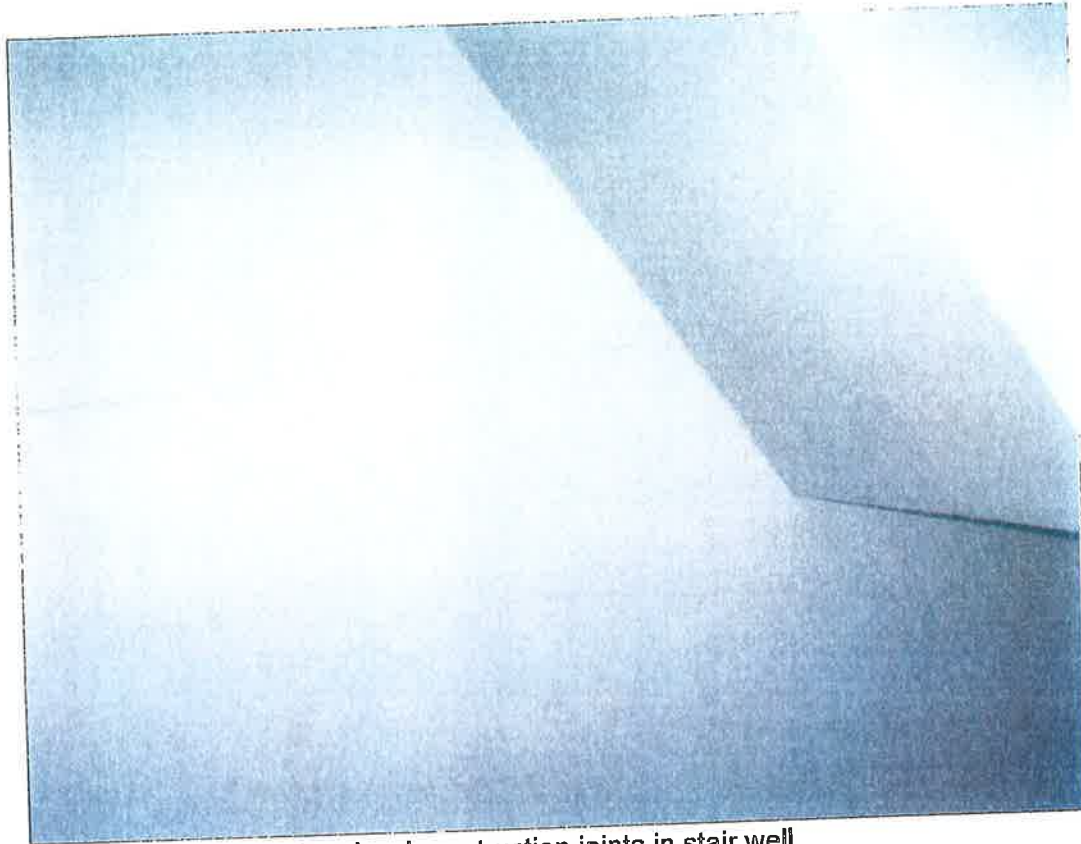


Photo 3 Cracking in floor level construction joints in stair well

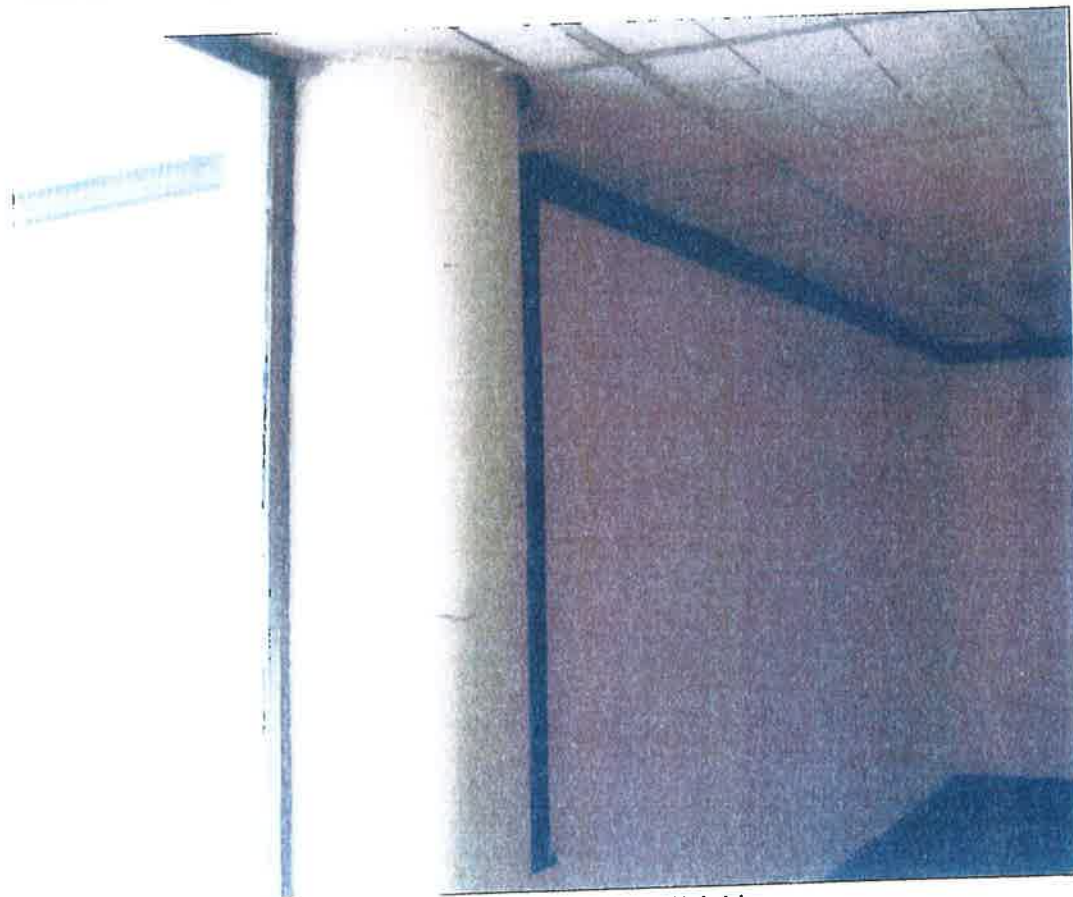


Photo 4 Cracking in top storey column adjacent to lift lobby.



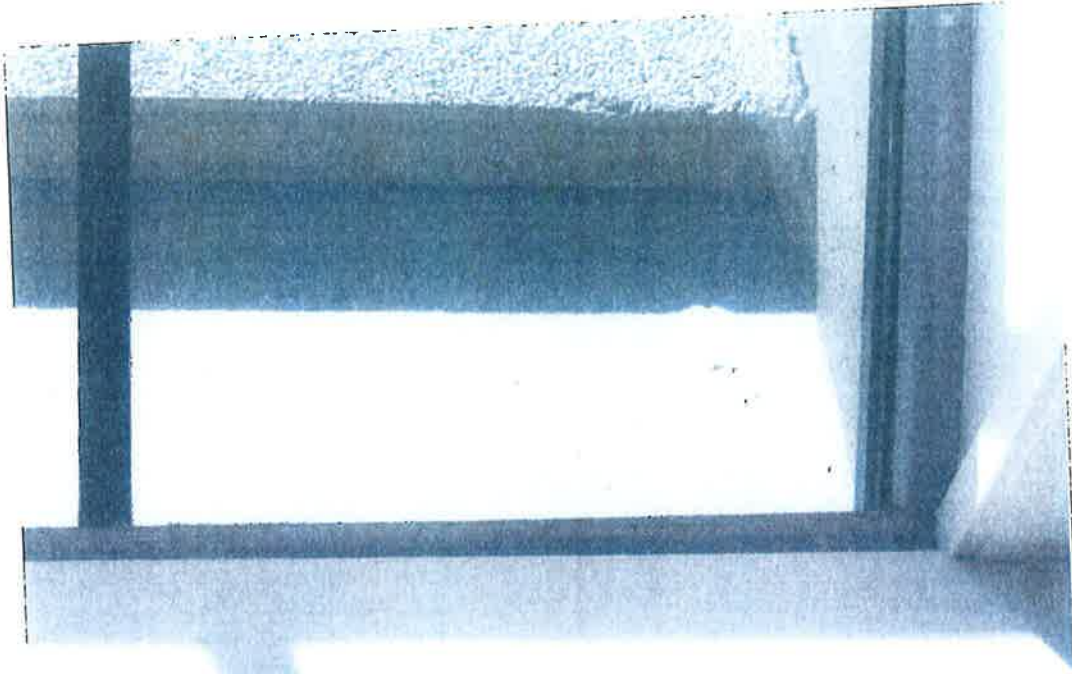


Photo 5 Cracking in first floor beam north elevation over entry.

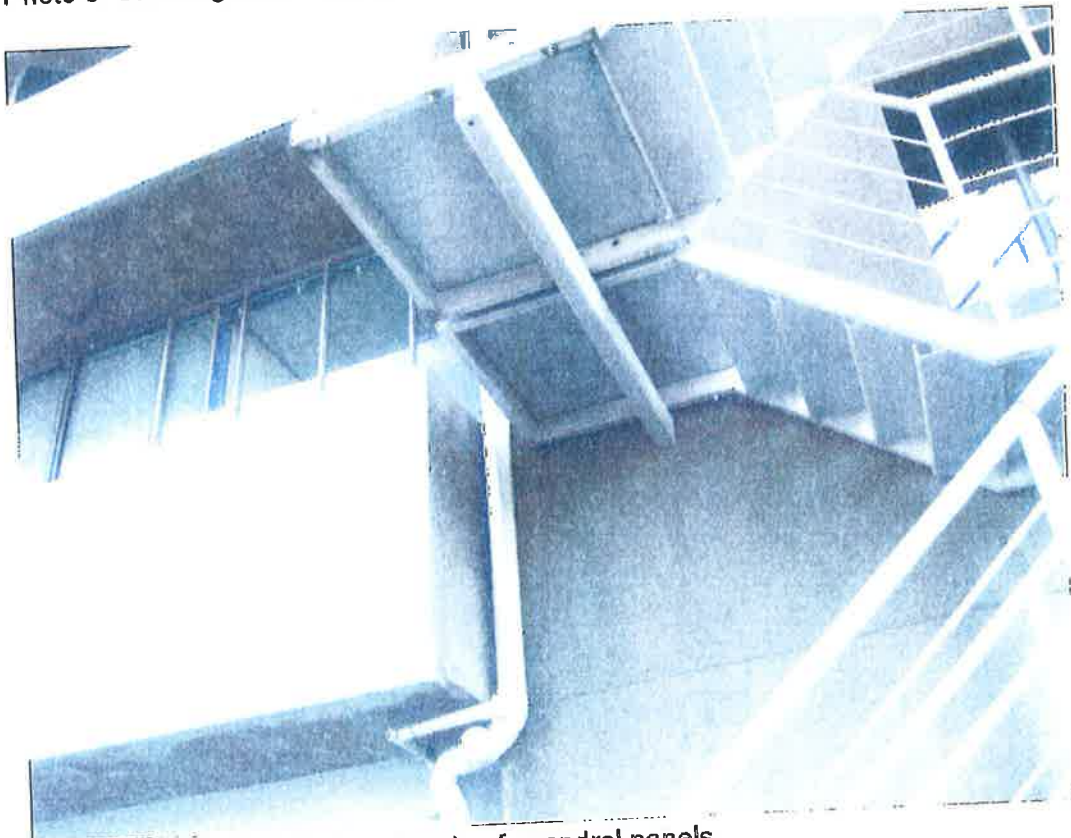


Photo 6 Spalling of plaster off ends of spandrel panels.



Photo 7 Internal beam column joint under first floor – no evidence of damage.



Photo 8 Spalling gypsum plaster off non-load bearing concrete block wall in stairwell.



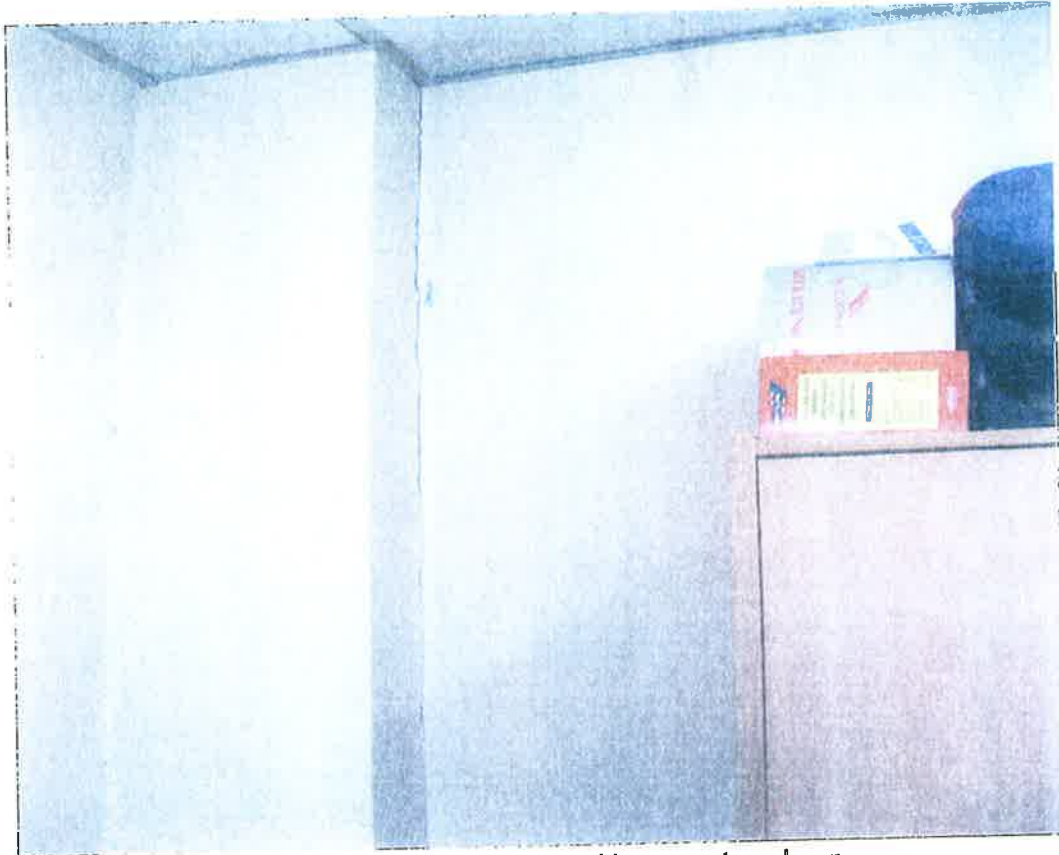


Photo 9 Partition lining damaged at junction with concrete column.

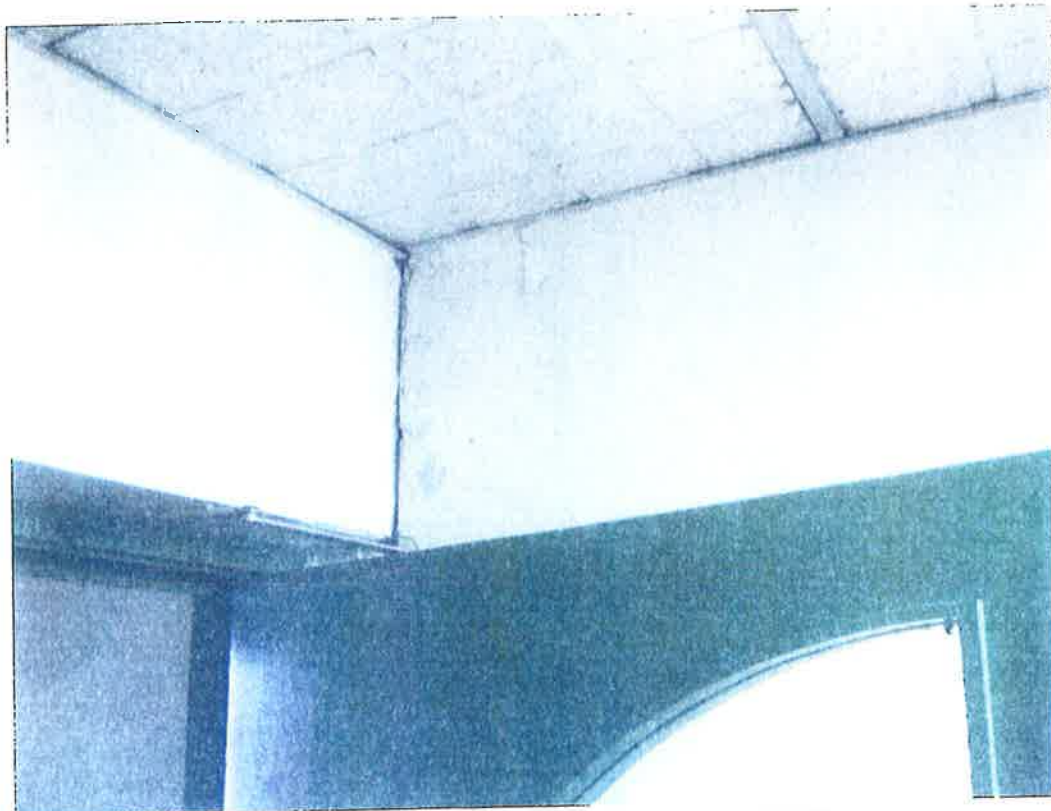


Photo 10 Partition lining damaged at junction with concrete beam.

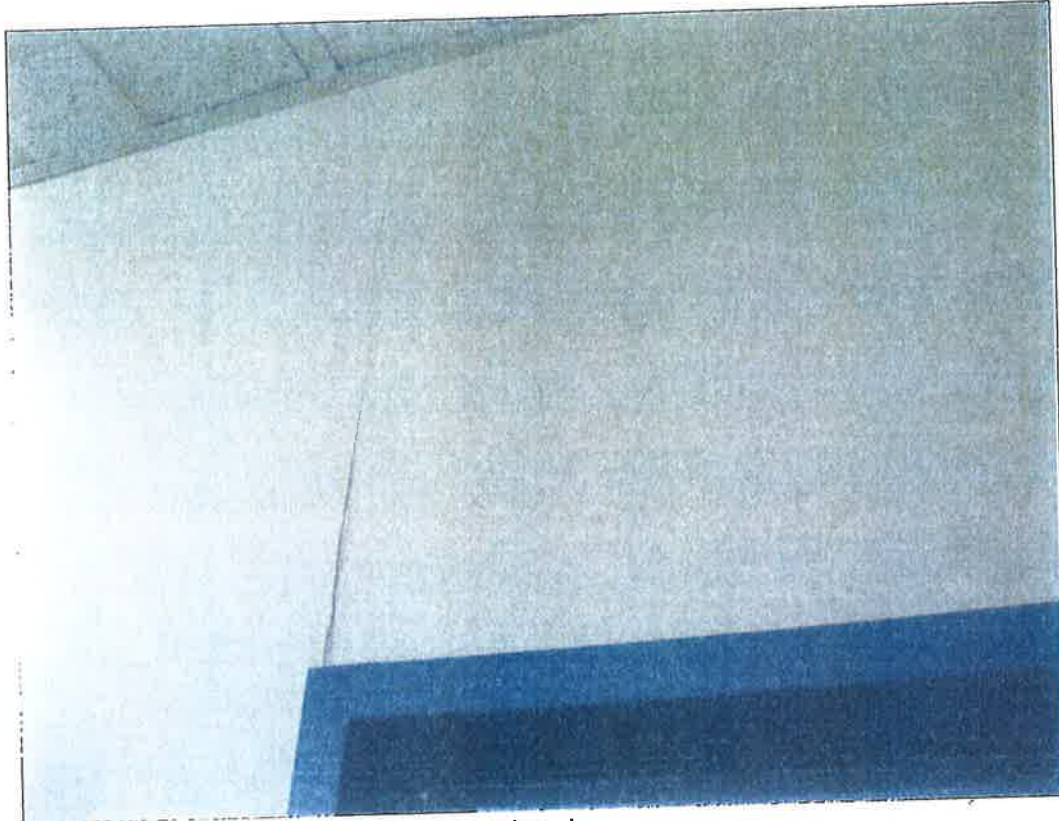


Photo 11 Cracking in linings over door head

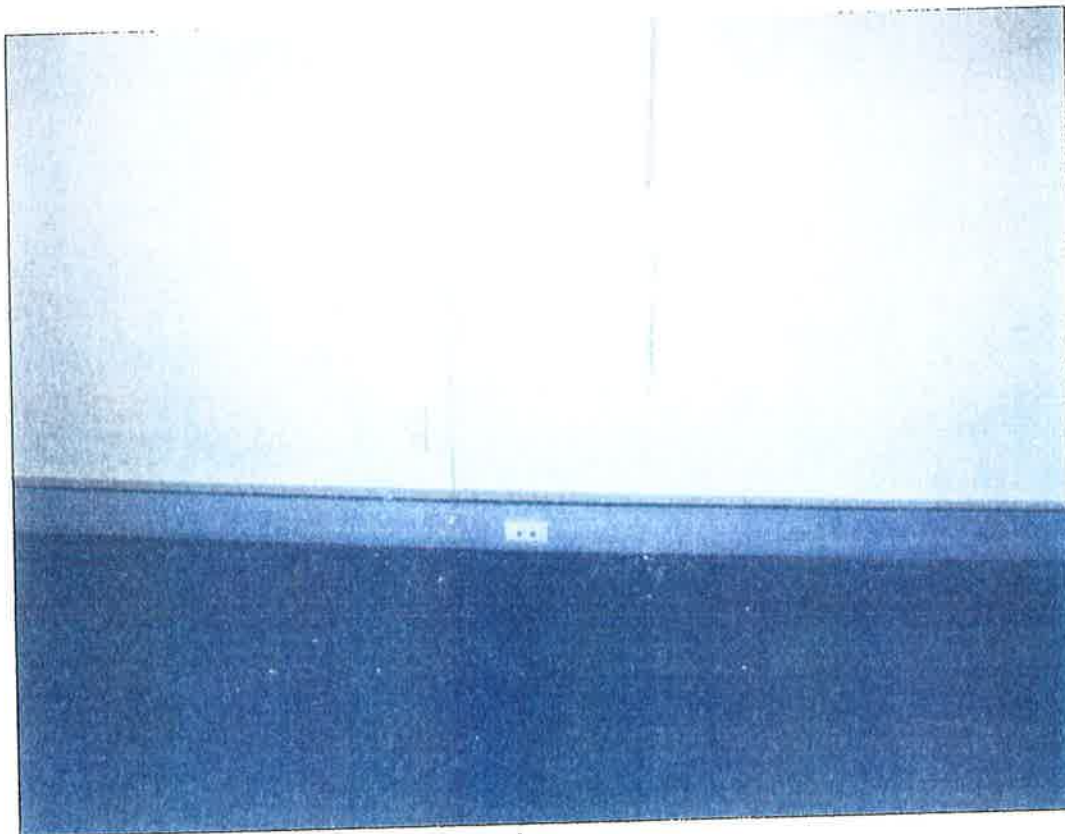


Photo 12 Crackling in linings under window.





Photo 13 Racked second floor partition wall and binding double doors.

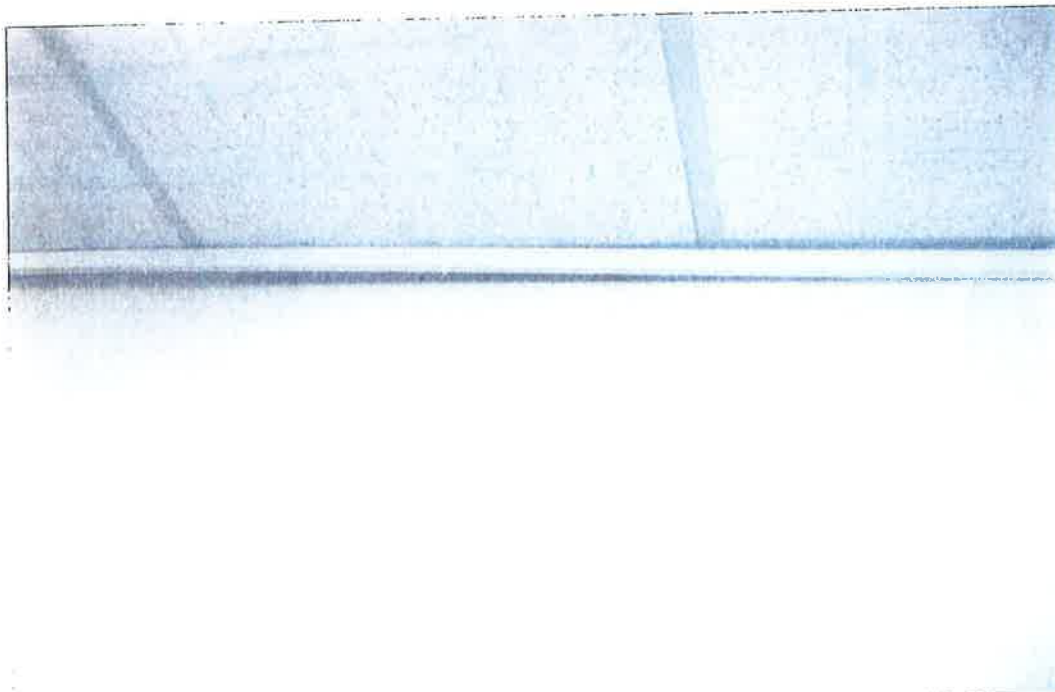


Photo 14 Cracked wall lining and damaged ceiling coving.



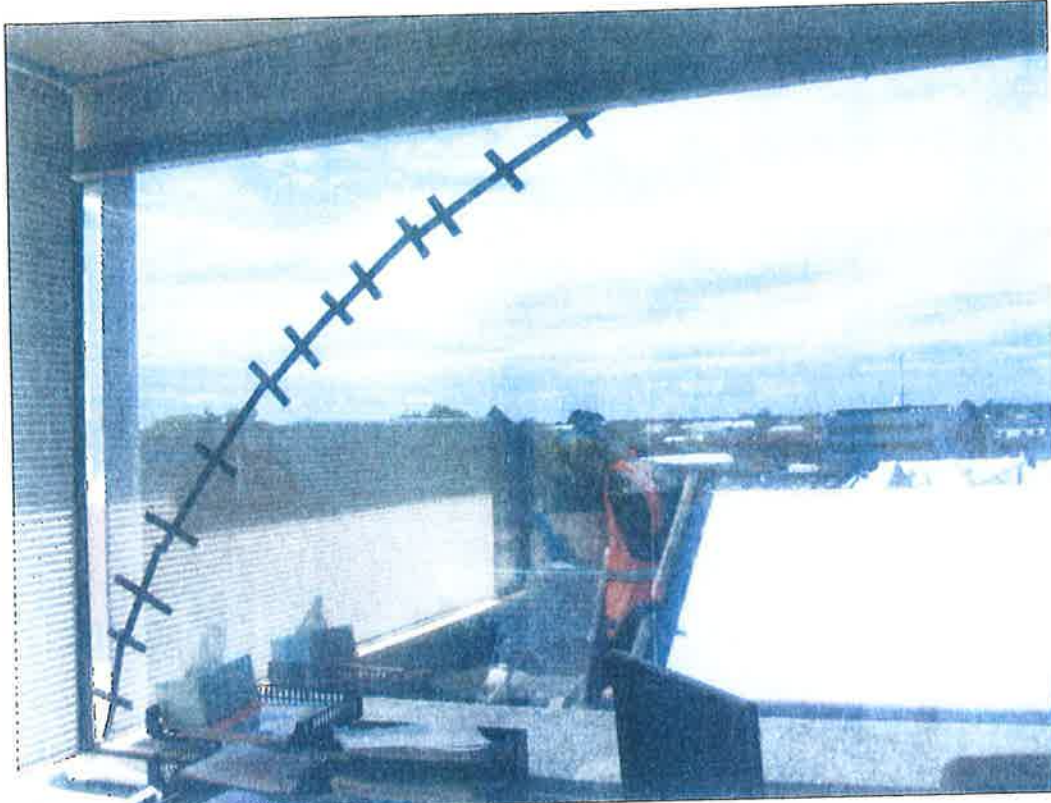


Photo 15 Broken window.

subject)

John Drew



(no subject)

Mon, Oct 11, 2010 at 8:34 AM

1 message

David Coatsworth <David.Coatsworth@nz.cpg-global.com>

To: [Redacted]

"Not All Printed  
computer playing up."  
John

Hi John

Final instalment of photos.

Regards

David Coatsworth



David Coatsworth  
CPG New Zealand Ltd  
T +64 3 374 6515 | F +64 3 374 6516  
236 Armagh Street, PO Box 13-875, Christchurch 8141, New Zealand  
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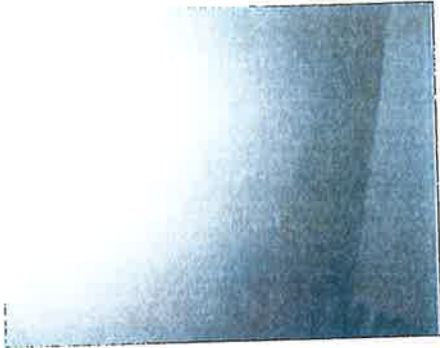
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39 attachments



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ail - (no subject)



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249 Madras Street 033C.jpg  
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249 Madras Street 032C.jpg  
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John Drew [REDACTED]

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## 249 Madras Street

4 messages

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David Coatsworth <David.Coatsworth@nz.cpg-global.com>

Fri, Oct 8, 2010 at 5:18 PM

To: [REDACTED]

Hi John

Sorry about the delay.

Attached find my report for the building damage. My apologies for the quality of the floor plans. I manufactured these from the two plans that Peter Brown gave me.

Call me if the report needs any further explanation. I would be interested to hear what the EQC guys had to say.

David Coatsworth



David Coatsworth  
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**Report 101006.docx**  
4508K

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John Drew [REDACTED]  
To: Simon Wearing <simon@ibbotsoncooney.co.nz>

Tue, Oct 12, 2010 at 2:00 PM

[Quoted text hidden]

**Report 101006.docx**  
4508K

---

John Drew [REDACTED]

Mon, Feb 14, 2011 at 2:49 PM

John Drew 

## 249 Madras Street, Earthquake Damage

1 message

David Coatsworth &lt;David.Coatsworth@nz.cpg-global.com&gt;

Tue, Oct 19, 2010 at 4:23 PM

To: 

Hi John

Further to our report dated 6 October 2010 and further to your request this morning, I took another look at the building at about 2:30pm today following the 5.0 magnitude earthquake we experienced at 11:30am this morning.

I spoke to Peter Brown from CTV and looked around the ground floor of the building with him. He was unable to point to any structural damage that was worse than at the previous inspection. We did see some new plaster droppings on the ground floor in the stairwell where the shear walls have been rubbing against the block wall. This area was damaged in the initial quake but subsequent shakes continue to damage the plaster lining. I also spoke to the ladies on reception on the top 5<sup>th</sup> floor. They said that the building shook significantly but again they were unable to point to any new damage.

I looked around some of the ground storey columns and couldn't detect any new damage. I went all the way back up the stair well and noted the cracking that we had previously recorded in the shear walls. Generally, I believe that they remain the same with the possible exception of two cracks. It is difficult to measure these cracks but it seems likely that two of them are slightly worse than our previous record.

The building is still structurally sound. However, it is inevitable that where cracks have been opened by the initial earthquake, subsequent shocks will work the joints and open them further. I recommend that we make arrangements as soon as practical to have some repairs of the walls carried out in the form of epoxy injection.

Regards

David Coatsworth

David Coatsworth  
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**Breakdown of Invoice No 541240****702974****249 Madras Street Earthquake Assessment  
Madras Equities Ltd****Purchase Order Number****Description of work undertaken to 22 October 2010**

Inspect building and prepare report on earthquake damage as per quotation to John Drew.	\$3,000.00
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Additional work to carry out second inspection and report further as requested	\$762.50
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<b>Total this invoice</b>	<b>\$3,762.50</b>
---------------------------	-------------------





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 e-mail: [phiggins@contech.co.nz](mailto:phiggins@contech.co.nz)  
 Website: [www.contech.co.nz](http://www.contech.co.nz)

37

### Facsimile Transmittal

**To:** Madras Equities Ltd **Fax: By Email**  
**Attention:** John Drew **No. of Pages: 3**  
**From:** Peter Higgins **File ref: C971**  
**Date:** 15 February 2011  
**Concerning:** CTV House 249 Madras St – Structural Crack Injection

Dear Sir,

We refer to our meeting on site at CTV House on 8 February 2011 and the CPG Consulting Structural Inspection Report dated 6 October 2010 calling for epoxy injection of cracks > 0.2mm in concrete shear walls, columns and beams..

Following a brief site inspection and preliminary measure we estimate cracks highlighted in the CPG report to be in the order of 80 linear metres made up of:

- Stairwells Horizontal cracks 64m
- 5<sup>th</sup> Floor Column 9m
- 5<sup>th</sup> Floor Overhead beam 1m
- GF North Elevation beam at Entry 6m  
80m

While we could not measure all cracks fully due to the plaster render and need for external scaffold access we have made an approximation based on a visual inspection of the areas highlighted in the CPG report. Once the plaster render is removed the extent of work requiring injection may vary but this can only be determined as the works proceed.

In addition to the epoxy injection requirement the 5<sup>th</sup> Floor overhead beam is likely to require minor breakout of defective concrete and reinstatement with a structural mortar.

#### A. Crack Injection

It is understood a structural crack repair material is required to seal and bond the cracks and we propose Sikadur 52 low viscosity crack injection epoxy. The epoxy resin will be injected via surface packers fixed at close intervals along the line of any cracks or joints and the epoxy product mixed and injected through an air-operated pressure pump. We attach a copy of the Product Data Sheet for your further information.

It will be necessary to expose the surface to solid substrate along the line of the crack to seal it and the client should be aware that this ground line will remain visible unless covered by architectural coatings. We would need to seal both sides of the crack with a Sikadur 31 epoxy mortar to prevent leakage, drill and install packers at 100-200mm centres to allow

transmission of the epoxy resin material into the crack, inject and after it has hardened clean off by grinding the surface flush.

If we cannot access both sides of the panel to seal the crack there is a risk that the resin may weep to the back face and will be unable to achieve full resin penetration. If the back face crack width is sufficiently wide there is also the risk that the resin may drain to that face.

Based on an identified quantity of 80 linear metres and crack widths up to 0.2-5mm we envisage approximately 5 working days to grind the surface, apply Sikadur 31 mortar seal, affix surface packers, inject, remove after product has cured and grind flush subject to clear and unrestricted access. We envisage the resin would need to cure and harden at minimum overnight or even several days if in cold weather. For the damaged overhead beam we estimate one additional day for the breakout and mortar reinstatement.

### Budget Estimate

Due to the nature of remedial work there are a number of variables (e.g. crack width, depth, leak source/path, work location, preparation) and the client would only be charged for times and quantities expended based on the schedule below. Site personnel would record on a Daily Log form the hours and quantities for checking and confirmation. These Daily Logs would form the basis of the Payment Claim.

Our rates to carry out approximately 80 LM of wall crack injection using Sikadur 52 resin (to cracks 0.2-5.0mm wide and 150mm deep) and Structural Mortar are as follows:

1. Establishment, H&S, QA, Procurement LS		\$ 2,400.00
2. Labour	100 mhrs@ \$45/hour	\$ 4,500.00
3. Materials		
• Sika 52 Epoxy	50L @ \$44/litre	\$ 2,200.00
• Sika 31 Epoxy Adhesive	30L @ \$18.70/litre	\$ 561.00
• High pressure Surface-Packers 500 No. @ \$5.10 each		\$ 2,550.00
• Thinners/Acetone	5L @ \$16.32/litre	\$ 81.60
• Sika Monotop Primer	1 x 4kg kit @ \$54	\$ 54.00
• Sika Structural Mortar	2 x 25kg bags @ \$62	\$ 124.00
• Misc. Injection/Repair materials	Allow Cost + 10%	\$ 250.00
4. Plant		
• Vehicle Running	5 days @ \$50	\$ 250.00
• Internal Scaffold	5 days @ \$75	\$ 375.00
• Injection Pump	5 days @\$80/day	\$ 400.00
• 12 cfm Compressor	5 days @ \$80/day	\$ 400.00
• Surface Grinder	2 x 5 days @ \$35/day	\$ 350.00
• Mix Drill	5 days @ \$35/day	\$ 175.00
• Hammer Drill	5 days @ \$35/day	\$ 175.00
• Extract Fans	5 days @ \$50	\$ 250.00
• Wet/Dry Vacuum	5 days @ \$50	\$ 250.00
<b>Indicative Cost</b>		<b>\$15,345.60</b>

Recommend structural crack injection and repair allowance of \$15,000.00 + GST.

### Clarifications

- All services, floor linings, plaster render, ceilings, fittings and other items that interfere with the injection processes to be removed and reinstated (where required) by the Principal.
- Safe access to be provided by the Principal including scaffold or other approved access mechanism to access 5<sup>th</sup> floor overhead beam and column externally, and Ground Floor beam at Entrance. We have allowed for internal access in stairwells only and made no allowance for any external access that will be required.
- We have made no allowance for painting, plastering or reinstating wall linings or floor coverings. Our scope is limited to structural works only.
- Preparation of wall surfaces will be using diamond grinding to expose the concrete substrate along the line of cracks. This surface ground line will remain visible unless covered by paint, plaster render or other architectural coatings.
- We have assumed the use of shrouded grinders for surface preparation but note it should be expected that there would still be some dust effect even allowing for the use of industrial capacity vacuums.
- We have assumed a reasonable working area is accessible daily allowing continuity of work.
- No allowance has been made for working outside normal working hours.
- It is understood that the Principal would make available one carpark for the site vehicle for the duration of remedial works.
- We have assumed the Principal has arranged to uplift any local authority permits or fees for strengthening works.
- We have not sighted any General Conditions, Special Conditions of Contract or the Subcontract Agreement. We will require to discuss and agree the effect these may have on our budget estimate.
- Our standard payment terms are nett in full on the 20<sup>th</sup> of the month following invoice. It is not appropriate to hold retentions on this application of a proprietary system.
- We hold \$10M PLI and \$10M MVI, but make no provision for any other insurances, bonds or guarantees. The existing structure is to be insured by the Principal.
- This estimate remains valid for 30 days from the date hereof.

We trust this budget estimate is sufficient for your immediate budgeting needs and thank you for the opportunity to present a remedial solution for this project. Should you require clarification of our budget estimate or please contact the undersigned in the first instance.

Yours faithfully,  
**Construction Techniques Ltd**

Peter Higgins  
**Southern Regional Manager**

*Attachments:*

- *Sikadur 52 Technical Data Sheet*
- *Sika Structural Mortar Technical Data Sheet*

# Concrete Protection & Repair Ltd

*Structural Strengthening, Concrete Repair and Corrosion Protective Coatings*

P O Box 16 467  
Hornby  
Christchurch 8441

t: 03 349 0334  
f: 03 349 0335  
cpr@actrix.gen.nz

22 February 2011

Madras Equities Ltd  
249 Madras Street  
Christchurch

by email: 

Dear John,

**Re: Repairs to 249 Madras Street**

Further to CPG's report, ref 702974, and our site visits Concrete Protection & Repair Limited is pleased to submit the rates and fee estimate below for the following repairs.

1. Crack injection to shear walls (including inside the lift shaft), columns and facing panels.
2. Concrete repair to southern facing panels.
3. Siloxane to southern and northern shear walls.

We estimate the work will take four weeks to complete. Crack injection of the lift shaft requires us to install a fixed scaffold. During the injection work one of the lifts will be shut down.

Description	Quantity	Cost	Margin	Total
Wall cracks	200	195	NA	39,000.00
Conc Repairs to southern facing panels	LS	9,950	NA	9,950.00
Siloxane to southern and northern shear walls	LS	18,265	NA	18,265.00
Scaffold hire	LS	22,890	10%	25,179.00
<b>Fee Estimate</b>				<b>\$92,394.00</b>

Our fee estimate is based on the following.

1. GST exclusive.
2. Valid for 30 days.
3. Payment within 20 working days from invoice date.
4. Working hours are between 07.30 and 16.30 Monday to Friday and exclude public holidays.
5. All repair work is concurrent.

Any queries please do not hesitate to contact us.

Yours faithfully



Katrina Roy M.C.M.  
Manager



15



John Drew

# Insured: Madras Equities Limited, Our Ref: 424108

5 messages

Mike Collins <mcollins@cl-nz.com>

Mon, Dec 6, 2010 at 3:37 PM

To:

Hi John

I will now take over this claim and work with you towards getting it settled. As you obtain quotes, could they please be forwarded to me for approval and we can issue work authorities and invoicing instructions this end as well. I will also look into the issue regarding the window film. Could you pass onto me the information we discussed regarding the floor tiles so that can sorted also.

If I have any questions about the costs I will give you a call and if you have any questions about the process and progress then give me a call.

regards

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

**DDI: +64 9 470 1888 | fax: +64 9 438 0500 | mob: +64 21 979 682**

**postal: PO Box 635, Whangarei 0140**

**email: [mcollins@cl-nz.com](mailto:mcollins@cl-nz.com) | web: [www.cunninghamlindsey.com](http://www.cunninghamlindsey.com)**

*Please consider the environment before printing this e-mail*

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**Along with this change of name our email addresses have changed. Please update your contact details.**

Wed, Dec 8, 2010 at 3:36 PM

To: Simon Wearing <simon@ibbotsoncooney.co.nz>

Simon,

As required, please find Mike Collins details.

[Quoted text hidden]

Wed, Dec 8, 2010 at 4:28 PM

Simon Wearing <simon@ibbotsoncooney.co.nz>

To: "mcollins@cl-nz.com" <mcollins@cl-nz.com>

Cc:

Mike,

1/6

John forwarded your email to me so that I could pass on invoices that Madras Equities has paid to date in relation to the earthquake (total \$10,193.09 excl.).

These are attached (along with some supporting information) and include an invoice from Brymac for tiling to the entranceway (\$6,455.65 excl.)

Could you let me know what the process is for reimbursement?

Could you also advise how the excess for the earthquake claim will be handled?

Please call if you would like to discuss further.

Thanks Simon W

**Simon Wearing**  
Director

Ibbotson Cooney Limited

Chartered Accountants

P O Box 267

Alexandra

Phone: 03) 440 0100

Cell: 027) 688 7325

Fax: 03) 448 6329

Email: [simon@ibbotsoncooney.co.nz](mailto:simon@ibbotsoncooney.co.nz)

Website: [www.ibbotsoncooney.co.nz](http://www.ibbotsoncooney.co.nz)

This message is confidential and may be legally privileged. If you are not the intended recipient you must not read or do anything else with this message. If you have received this message in error please tell us immediately by return email and then destroy this email. Thank you.

[Quoted text hidden]

 **20101208161208606.pdf**  
294K

**Simon Wearing** <[simon@ibbotsoncooney.co.nz](mailto:simon@ibbotsoncooney.co.nz)>

Thu, Dec 9, 2010 at 10:53 AM

To: Simon Wearing <[simon@ibbotsoncooney.co.nz](mailto:simon@ibbotsoncooney.co.nz)>, "mcollins@cl-nz.com" <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Cc: John Drew [REDACTED]

Mike,

17

Two more earthquake related invoices attached.

Regards Simon W

**Simon Wearing**  
Director

Ibbotson Cooney Limited

Chartered Accountants

P O Box 267

Alexandra

Phone: 03) 440 0100

Cell: 027) 688 7325

Fax: 03) 448 6329

Email: [simon@ibbotsoncooney.co.nz](mailto:simon@ibbotsoncooney.co.nz)

Website: [www.ibbotsoncooney.co.nz](http://www.ibbotsoncooney.co.nz)

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---

**From:** Simon Wearing  
**Sent:** Wednesday, 8 December 2010 4:29 p.m.  
**To:** 'mcollins@cl-nz.com'  
**Cc:** 'John Drew'  
**Subject:** RE: Insured: Madras Equities Limited, Our Ref: 424108

Mike,

John forwarded your email to me so that I could pass on invoices that Madras Equities has paid to date in relation to the earthquake (total \$10,193.09 excl.).

These are attached (along with some supporting information) and include an invoice from Brymac for tiling to the entranceway (\$6,455.65 excl.)

Could you let me know what the process is for reimbursement?

Could you also advise how the excess for the earthquake claim will be handled?

16

Please call if you would like to discuss further.

Thanks Simon W

**Simon Wearing**  
Director

Ibbotson Cooney Limited

Chartered Accountants

P O Box 267

Alexandra

Phone: 03) 440 0100

Cell: 027) 688 7325

Fax: 03) 448 6329

Email: [simon@ibbotsoncooney.co.nz](mailto:simon@ibbotsoncooney.co.nz)

Website: [www.ibbotsoncooney.co.nz](http://www.ibbotsoncooney.co.nz)

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---

From: **Mike Collins** <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

[Quoted text hidden]

[Quoted text hidden]

 **20101209101234921.pdf**  
58K

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Thu, Dec 9, 2010 at 1:44 PM

**John Drew**   
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Mike,

I have met with Thermal Film Company, not only is existing film no longer available, it could not be used if it was, as the new regs for glassing prevent its use on laminated glass. The only range available for the windows is **significantly** different for technical reasons and no match to the exiting film is possible.

What was insurance response?

Regards John

[Quoted text hidden]

19



John Drew

# Insured: Madras Equities Limited, Our Ref: 424108

2 messages

Thu, Dec 9, 2010 at 5:00 PM

Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

To: [Redacted]

Cc: [simon@ibbotsoncoony.co.nz](mailto:simon@ibbotsoncoony.co.nz)

Hi Simon and John

I have scheduled the costs sent to date as per the attached. If there is anything missed off that I should have, then please advise. Once I have confirmed these costs I will be able to make an interim settlement payment recommendation to Madras Equities Ltd for the confirmed costs to date less the policy excess. This deals with the excess question for Simon. Payment would be made by electronic banking so I will require a deposit slip emailed to me to confirm the account and account name details.

There are a couple of things I need to check re the costs. The first is the the tiling cost. We have a quote from Brymac for \$7012 GST inclusive for similar quality tiles and an invoice for \$7424. I understood from the phone conversation John that this had been sorted with Brymac and the invoice would match the quote so I just have to follow up on that with them.

Regarding the tinting for the windows John. I havent raised the tinting issue with the insurer yet as I want to be able to give them an indication of the costs involved with tinting the otherwise undamaged windows on the two sides of the building that have had some broken windows. As I understood our conversation you were to obtain a quote and forward that to me.

Also I have a break down for the CPG invoice but not a copy of the actual invoice. It may have been sent to others previously but I cant find it on the file. Can you forward that invoice copy to me please.

If you have any other questions give me a call.

regards

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

DDI: [+64 9 470 1888](tel:+6494701888) | fax: [+64 9 438 0500](tel:+6494380500) | mob: [+64 21 979 682](tel:+6421979682)

postal: PO Box 635, Whangarei 0140

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*(See attached file: Schedule of Loss (1 page) - 424108 09-12-10 16-31.xls)*

Schedule of Loss (1 page) - 424108 09-12-10 16-31.xls



52K

21

---

Mike Collins <mcollins@cl-nz.com>

Thu, Dec 9, 2010 at 5:05 PM

To: [REDACTED]  
Cc: simon@ibbotsonconney.co.nz

[Quoted text hidden]

 **Schedule of Loss (1 page) - 424108 09-12-10 16-31.xls**  
52K

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21



John Drew <[redacted]>

## Fwd: quote Entrance etc 249 Madras

5 messages

**John Drew** <[redacted]> **Mon, Dec 13, 2010 at 12:28 PM**  
To: Mike Collins <mcollins@cl-nz.com>

Mike, this is self explanatory, I know you have already given the go ahead on this work, but thought I'd send through the quote anyway. Any news on windows? Tenants are moaning.

Regards John

----- Forwarded message -----

From: **jeremy wells** <[redacted]>  
Date: Mon, Dec 13, 2010 at 6:41 AM  
Subject: quote  
To: [redacted]

Hi John,

Here is the quote for the work at 249 Madra Street.

If you have any queries, please dont hesitate to call.

Kind Regards

Jeremy Wells  
Wells Decorators Ltd  
0273037341

**madras equities ltd.pdf**  
14K

**Mike Collins** <[redacted]> **Mon, Dec 13, 2010 at 1:22 PM**  
To: John Drew <[redacted]>  
Cc: simon@ibbotsoncooney.co.nz

Hi John

5th floor redecoration quote received however there are no details on it to say who the contractor is or any contact details. I agreed in principal to the work but I have not yet confirmed this cost. As I explained, I need to check the quotes and once I am OK with the cost, I could arrange invoicing / work authorities etc. In this case I need to confirm that the painting involves the walls / areas that are actually damaged. If no cracks on wall then technically those walls are not involved and any painting involves just the wall that are damaged with these being painted corner to corner to match exisiting. Has the 5th floor tenant been asked if he will pay to have this painting and gib stopping re done if cracking occurrs due to after shocks. As you can imagine the insurer isnt to keen on paying for the same damage repairs more than once from this on going event especially if there are continuing sizeable after shocks. My thoughts would be to hold off until after xmas now thats its so close and see if the aftershocks have dropped in strength further following the xmas break.

Re the tinting. I had asked for the cost of the tinting involved on otherwise undamaged windows to be confirmed before I went to the insurer. Therefore I have now emailed Cranfield Glass for that break down.

??

Was only one quote requested.

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

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---

John Drew <[redacted]>  
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Mon, Dec 13, 2010 at 2:21 PM

Hi Mike,

Another quote is due for film, the painting is important as we are trying to let buildings vacant space, it includes the entrance lobby and lobby on 5th floor as previously discussed. No tenant is directly involved with this work.

[Quoted text hidden]

---

Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>  
To: John Drew <[redacted]>

Mon, Dec 13, 2010 at 2:23 PM

Hi John

OK, my misunderstanding. But who is the contractor quoting and contact details.

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

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---

John Drew <[redacted]>  
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Tue, Dec 14, 2010 at 11:47 AM

Hi Mike,

His name is Jeremy Wells [REDACTED] Unfortunately he cannot do the work until the new year. But we need to book asap.

Further, I am very concerned after reading your e-mail in relation to the limitation of painting repair you have outlined. It is unacceptable that if only one wall in a room is damaged only that wall is painted. The realities of paint matching and aging, I am told, will not allow an acceptable match. It is standard practise in repairs of this nature that the entire room is repainted. I respectfully ask that you reconsider your position on this. This has a remarkable similarity to the issue with the film on the windows, we need to have this sorted immediately.

Regards John

[Quoted text hidden]

---

24



John Drew <[redacted]>

## Madras Building

3 messages

**John Drew** <[redacted]>  
 To: Mike Collins <[redacted]>  
 Cc: Simon Wearing <simon@jbbotsoncooney.co.nz>

Tue, Jan 11, 2011 at 5:27 PM

Mike,

Best wishes for the New Year!

1/ There are several more windows broken or cracked since the boxing day quake. Please can you authorise their repair?

2/ Still waiting on decision on film, now urgent. Heat!!!

3/ Foyer on ground floor will need minor plaster repairs after recent quake and painting, again still waiting on your go ahead for this and 5th floor foyer and vacant tenancy repair and painting. I believe you have spoken with the painter. Why the delay???

4/ The removal of the adjoining building has left 3 floors of the west wall without cladding, can the repair of this be included in our claim?

Your assistance would be appreciated. Time is moving on and the new business year is well underway. I need answers and help not more delays.

Regards John

**Mike Collins** <[redacted]>  
 To: [redacted]

Thu, Jan 13, 2011 at 3:32 PM

Hi John

Re the tinting and painting. I am still waiting for the insurer to make a decision on these two items. The claims handler did speak to me this afternoon so is aware this needs attention and has advised he will get back to me with the insurers decision shortly.

Re the additional damage from the boxing day shake. We dont stop the repairs from being authorised as you have to do what is required to make the building safe. The insurers are however treating the boxing day shake as a seperate claim event therefore we need to be provided with costs involved with urgent repairs ( broken window pane replacement ) and quotes for other damage repairs relating to that event.

If the ground floor foyer damage you refer to is only from the boxing day shake then the cost to repair is to be kept seperate from the other claim. If however it is an area already damaged from the main event and just an increase in severity then we deal with it just under the original claim. ie: walls not previously damaged but now damaged are a new claim. Walls previously damaged but damaged increased due to recent event will still be deal with under the first claim.

Re the removal of cladding due to the demolition of a neighbouring building. Can you email me some photos. Is this a situation where a new building if built in the same place will result in that issue being resolved or not. If so is temporary cladding a consideration. Does the removal of the cladding now present a weather proofing issue. Very hard to comment further without additional information.

regards



25

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

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**postal:** PO Box 635, Whangarei 0140  
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*P Please consider the environment before printing this e-mail*

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**John Drew** [REDACTED]  
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Fri, Jan 14, 2011 at 3:27 PM

Hi Mike,

Re: Tinting Film and painting. Insurers lack of response is very frustrating, well over a month has passed since this was first raised. For the time being I will proceed with film on the repaired windows only whilst awaiting their response. Will also arrange painting of entrance lobby, your authorisation would be appreciated.

Re: Boxing day aftershock. All damage is an increase to existing damage. No repairs have been authorised since your appointment.

You state "we don't stop the repairs from being authorised as you have to do what is required to make the building safe" However, you have requested I wait for authorisation, see above. What happened to reinstating? Who is the we in this sentence. I'm confused.

Re: Cladding . It is unlikely the building will be replaced as the owners are creating a car park. Weather proofing is an issue, will send photos through direct from my phone.

Regards John  
[Quoted text hidden]

n l - Madras Building



John Drew &lt;[REDACTED]&gt; 26

---

## Madras Building

3 messages

Tue, Jan 11, 2011 at 5:27 PM

John Drew &lt;[REDACTED]&gt;

To: Mike Collins &lt;mcollins@cl-nz.com&gt;

Cc: Simon Wearing &lt;simon@ibbotsoncooney.co.nz&gt;

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Your assistance would be appreciated. Time is moving on and the new business year is well underway. I need answers and help not more delays.

Regards John

regards

Mike Collins <mcollins@cl-nz.com>

Thu, Jan 13, 2011 at 3:32 PM

To: [REDACTED]

27

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28

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

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*P Please consider the environment before printing this e-mail*

**John Drew** [redacted]  
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Fri, Jan 14, 2011 at 3:27 PM

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Re: Cladding . It is unlikely the building will be replaced as the owners are creating a car park. Weather proofing is an issue, will send photos through direct from my phone.

Regards John  
[Quoted text hidden]



John Drew [REDACTED]

29

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**Insured: Madras Equities Limited, Our Ref: 424108**

2 messages

**Mike Collins <mcollins@cl-nz.com>**

Fri, Jan 14, 2011 at 4:52 PM

To: [REDACTED]

Hi John

Re Boxing day after shock. You now advise that all damage is just an increase to existing damage however you previously advised that window panes had been broken and more cracks in internal walls following the boxing day shake. If there is new damage then the insurance company does treat that as a new claim however increasing in severity of existing damage would likely fall under the first claim. So broken windows and damage to previously undamaged internal walls would be a new claim. The insurance company have registered a new claim and we are getting someone from Chch to attend. If they report this isnt new damaged then there is no second claim. They will check the damage from the 26th Dec shake and I will be getting them to check the internal wall damage in the areas you want painted and the window tinting so that I can answer the questions the insurer has today asked. I have asked the disaster centre appointing the local adjuster to ensure this is treated with urgency and for the local adjuster to contact me ASAP.

I / we DONT stop you getting window panes replaced or undertaking emergency work to make the building safe. As far as the other work in concerned, its generally best to get confirmation as to how much the insurance covers before going ahead with an extent of work that may in fact not be fully covered. Some things are straight forward to deal with and others arent and take more time to get decisions made by insurers. I apologise if this is confusing and taking longer than you would like as I am not trying to make this confusing or slow however you are wanting me to authorise repairs that the insurance company have not yet agreed to fully cover. As you can imagine they are handling thousands of damage claims from the EQ plus their normal day to day claims with only so many people available. The Xmas holidays hasnt helped either.

Re the painting. Can you advise when the interior was last painted and specifically the fifth floor areas and front entry foyer.

Re cladding. The photo shows that bare concrete walls are now exposed. As untreated concrete will absorb moisture I agree that this is a water proofing matter.

Before I can report on this to the insurer I need additional information.

Was there actually any cladding previously or was the wall of the now demolished building directly against the Madras building making cladding not required until its removal.

Is the building weakened by the removal of the adjoining wall.

Was it recognised before the neighbouring building was demolished that this issue may have arisen.

What date was the neighbouring building demolished.

Has there been any consideration given to a proposal to remedy this situation. Either as a temporary solution or a permanent fix. If so are any estimated costs known.

Again this will be an area that will require a decision from the building insurer as to what its involvement will be.

regards



30

**Mike Collins**  
Loss Adjuster

**Cunningham Lindsey**

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Mon, Jan 17, 2011 at 4:13 PM

**John Drew** [REDACTED]  
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

Hi Mike,

Thankyou for your response.

I reply as follows;

Re Boxing Day Quake: We have discovered more broken windows, however I am aware some of these were showing small cracks before Christmas, now much larger. Also 3 new tiles in the entry foyer have been cracked. I am not aware of any futher damage.

Painting, sorry I am unable to accurately determine when these areas were last painted. However prior to the earthquake, repainting was not being considered necessary.

Cladding:

a) There was no cladding other than what was provided by the adjoining building.

b) Our building was not weakened by the demolition

c) This problem was not identified previous to the demolition, however, we were not given any notification prior to demolition either.

d) demolition occured approx. one week pror to Christmas

e) Temporary solution: cover with PVC Curtain-side. Perminant- match existing

Hope this helps.

Any progress??

Regards John

[Quoted text hidden]

31



John Drew [redacted]

---

**ref:424108**

1 message

---

**John Drew** [redacted]  
To: Mike Collins <[mcollins@cl-nz.com](mailto:mcollins@cl-nz.com)>

**Fri, Jan 21, 2011 at 1:34 PM**

*Mike,*

*Another week comes to an end without progress, yes we continue to be rocked around the clock and existing damage is increased. would very much like to recieve approval to make repairs. Looks like cladding costs to be around \$30K, I am getting another quote.*

*John*

31



John Drew [redacted]

---

## Contact details

5 messages

---

Concrete Protection & Repair Ltd <cpr@actrix.gen.nz>

Tue, Jan 25, 2011 at 8:34 AM

To: [redacted]

John further to our conversation please forward us the engineers report.

Regards

Graeme

.....

Graeme Smith

Manager

Concrete Protection & Repair Ltd

e: [cpr@actrix.gen.nz](mailto:cpr@actrix.gen.nz)

t: 03 3490334 f: 03 3490335

---

John Drew [redacted]

Mon, Jan 31, 2011 at 1:32 PM

To: Concrete Protection & Repair Ltd <cpr@actrix.gen.nz>

Graeme,

I have sent through 249 Madras Report under seperate cover. We have authority to proceed with repair, and will be seeking two quotes

Thanks John

[Quoted text hidden]

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Concrete Protection & Repair Ltd <cpr@actrix.gen.nz>

Wed, Feb 9, 2011 at 11:21 AM

To: John Drew [redacted]

John I been thinking more your job. Are you able to have Otis shutdown the lifts on Friday morning so we can open the doors on each floor and shine a torch onto the shear walls? We can also discuss with them how to proceed with repair work.

Regards

Katrina

**From:** [redacted] [mailto:[redacted]] **On Behalf Of** John Drew  
**Sent:** Monday, 31 January 2011 1:53 p.m.  
**To:** Concrete Protection & Repair Ltd  
**Subject:** Re: Contact details

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[Quoted text hidden]

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**John Drew** [redacted]  
To: Concrete Protection & Repair Ltd <cpr@actrix.gen.nz>

Wed, Feb 9, 2011 at 5:50 PM

Hi,

will talk to Otis tomorrow and advise.

John

[Quoted text hidden]

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**John Drew** [redacted]  
To: Concrete Protection & Repair Ltd <cpr@actrix.gen.nz>

Thu, Feb 10, 2011 at 1:06 PM

confirm 11am friday 11th inspect lift shaft. John

[Quoted text hidden]



John Drew [redacted] 36

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**(no subject)**

1 message

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**John Drew** [redacted]

**Wed, Feb 2, 2011 at 3:30 PM**

To: Simon Wearing <[simon@ibbotsoncooney.co.nz](mailto:simon@ibbotsoncooney.co.nz)>

FYI. Still have not heard from mainzeal..., not very professional. Should have building marketing presentation ready by next week, I would prefer to present it personally if possible. Still waiting on Drug and Alc. I have given them second tranche of info they required, now it's wait and see. Spoken with Harcourts re the Clinic occupancy, awaiting response. Cladding work delayed because of availability of matching iron.  
Regards John

---



John Drew

(no subject)

1 message

John Drew

Wed, Feb 2, 2011 at 3:30 PM

To: Simon Wearing <simon@ibbotsoncooney.co.nz>

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Regards John



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John Drew [redacted]

# Madras Equities

1 message

Sally Anne - Abraham & Associates Ltd <sallyanne@abraham.co.nz>

Thu, Feb 10, 2011 at 11:42 AM

To: John Drew [redacted]

Hello John

I've spoken to Simon regarding the earthquake damage to the Madras Street building.

I think we need to meet with you to better understand some of the issues.

Could you please advise a time that would be convenient to do this. My manager John Abraham would meet you at the building to go over the issues or if it isn't necessary to be at the building John can meet with you either here or at your office.

Thanks John  
Regards

Sally Anne Hollow ANZIIF (Assoc)

Abraham & Associates Ltd  
PO Box 8951  
Christchurch

Office Ph: 03 348 2943  
Direct Dial: 03 341 3912  
Fax: 03 343 0477

CONFIDENTIALITY: The contents of this email (including any attachments) may be legally privileged and confidential. Any unauthorised use of the contents is prohibited. If you have received this email in error, please advise me immediately, and then delete this email along with all attachments.

Leque 161465 20/10/10

**TAX INVOICE & STATEMENT**

30-Sep-10

Madras Equities  
 P O Box 267  
 ALEXANDRA 9340

Attention: Simon Wearing

NO CSUN042.1

G.S.T. REGISTRATION No. 53-449-565

**RAWLINSONS**

QUANTITY SURVEYORS

CONSTRUCTION  
CONSULTANTS

COST ENGINEERS

**CCTV BUILDING EARTHQUAKE ASSESSMENT**

To professional services

FOR	Inspection of building and preparation of report	
FEE	Based on time invoiced @ \$155.00 per hour to a maximum of \$2,200.00 as agreed John Drew / Julian Mace	
	16 hrs @ \$155.00 = \$2,480.00	
	Agreed Maxlum	2,200.00
G.S.T.		275.00
AMOUNT NOW DUE		\$ 2,475.00

Terms of payment: Due 20th of month following date of invoice

Payment can be made direct to our Bank Account:  
 06-0501-0582918-00  
 (include the above invoice number with your remittance)

RAWLINSONS LIMITED  
 L11, PRICEWATERHOUSE  
 COOPERS CENTRE  
 119 ARMAGH STREET  
 PO BOX 2798  
 CHRISTCHURCH 8140  
 NEW ZEALAND

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