



Real Estate Residential Development outrage

Crack-up: What every apartment owner needs to know about defects

Too few people are accountable for the quality of building work, say the professionals who assess the scale of problems.

Residents were forced to leave this building in Sydney's inner city suburb of Zetland because of building faults. **Kate Geraghty**

Su-Lin Tan Reporter

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Brace yourself. Defect inspectors say the hundreds of apartment dwellers who were forced to evacuate three buildings in Sydney are just the beginning.

"All buildings across Australia have defects," says building inspector and facilities manager Lynda Kypriadakis.

On Wednesday, *The Sydney Morning Herald* revealed residents of 30 "loft" units at 19 Gadigal Avenue in Zetland [have been unable to live in their homes](#) for months: forced to leave due to water damage and a faulty fire prevention system.

These issues differ from the structural problems that forced out residents from [the Opal Tower](#) in Sydney Olympic Park on Christmas Eve. They also appear to be in a different category to the damage at [Mascot Towers](#) on Bourke Street, Mascot, though the results of an investigation at that site are still a few weeks off.

Unlike "catastrophic" failures, fire system problems and water leaks can be fixed, particularly if they are addressed early in a building's life, or as soon as owners become aware.



"There is a systemic failure in the construction industry that takes building designs to completion," says Lynda Kypriadakis of Australian Building Management Accreditation. **Louise Kennerley**

But the Zetland case should prompt every owner to sit up and take notice with defect experts saying it reflects systemic issues in Australia's building and construction industry, particularly in NSW. These include the separation of design and construction, a lack of accountability by builders, and a questionable system of "self-certification".

Kypriadakis' team of accredited defect inspectors at Australian Building Management (ABMA) has audited properties across the nation for the past 20 years. She says structural issues found at Opal and Mascot Towers are rare but fire system and water problems like those at the Zetland building

are common.

"Only one building among the about 3000 we have audited had cracks that could lead to catastrophic failure. But there is a systemic failure in the construction industry that takes building designs to completion."

It's ironic that in the same week the Zetland building problems came to light, Kypriadakis' team was in Sydney to audit a new multi-level tower and found faults in the passive fire protection system, similar to those recorded at Zetland.

These systems include fire-resistance rated walls and floors which, with fire doors, are designed to stop fire from spreading and give people time to escape a burning building.

Seventy two per cent to 85 per cent of owners corporations in multi-level apartment buildings had major defects.

In this case, ABMA was summonsed by the property's tier one builder who, like others, has been spooked by the recent evacuations. While there is no hard and fast rule, the bigger the builder the more concerned it is about reputational risk and the more likely to take action to prevent or address problems that have got past weak certification systems,

In the past 12 months, ABMA and other inspectors have benefited from a marked increase in demand for their services. Building owners and builders have woken up to the ramifications of defects.

Problems with fire systems, along with water ingress, have been present to

some degree in all of the buildings the ABMA team has audited.

It seems every building inspector has a similar story to tell. Angelo Raguz from Gold Coast Building Services reports he has seen buildings in Brisbane that lack fire-rated insulation altogether. He has also seen mixed-use buildings where retail owners on the ground floor do not maintain fire safety systems, posing a risk to apartments upstairs.

Sometimes he sees odd design instructions from architects, such as having trees around a house that cause cracking in concrete. Builders charged with executing designs are unlikely to question architects, he says.



Damage to property at 19 Gadigal Avenue, Zetland. **Supplied**

Bernie Kennedy, another building inspector based in Queensland, has seen leaking roofs, poorly installed waterproofing and rushed construction on improperly cooled concrete slabs. He says the problems are most common in NSW where the lack of oversight is most noticeable.

While such defects don't warrant evacuation, they eventually wear down the structural integrity of a building. Leaks, for example, get into cracks and soften the concrete and, over years, can even rust the steel beams that hold up a building, the inspectors say.

There are also "natural defects" such as shrinkage that occurs in the first six months after construction. These matters can be fixed quickly, but if they are not, they can drag on and become serious. This is likely to be the case in Zetland's lofts.

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In a 2012 study, the University of NSW City Futures Research Centre found 72 per cent to 85 per cent of owners corporations in multi-level apartment buildings had major defects.

Like the building inspectors, that study found water leaks were the source of the worst problems, followed by structural cracking and water penetration from outside. Other problems include "phoenix" companies – disappearing developers – poor work management and insurance delays in defect claims.

[Research](#) released last month by Deakin University's Nicole Johnston and Griffith University's Sacha Reid also found water ingress and moisture a "constant contributor or consequence of defects relating to building fabric and cladding, roof and rainwater disposal and waterproofing systems".

The researchers examined 13 components. Issues to do with building fabric and cladding were the most serious, followed by fire protection,

waterproofing, roof and rainwater disposal and then structural defects.

"Unfortunately, new residential buildings in Australia appear to be plagued with defects," their report said. "The concern is not that defects occur, they are inevitable. The concern is the extent, severity and impact these defects have on buildings and their occupants."

While experts debate the degree of blame that lies with design as opposed to construction, the plight of residents unable to return to their homes as the value of their property plummets has prompted calls for action. The NSW government wants its state and federal counterparts to discuss a major reform of the industry at the second federal Building Ministers Forum next week.



Moving vans outside Mascot Towers. **Janie Barrett**

Similar pledges made in the past to do something have not accomplished as much as they could have. In 2012, Michael Lambert, the former secretary fo NSW treasury, [investigated](#) building regulations after a fatal fire in a Bankstown apartment block. [An inquest](#) found a sprinkler system

could probably have prevented the death of a Chinese student, Connie Zhang, and said residents' safety had been compromised for two years prior to the blaze. The NSW government did make some changes to regulation and tightened up certification for fire safety systems but Lambert later said 150 other recommendations he made were dragged or forgotten.

Last year the inaugural Building Ministers Forum commissioned [a report](#) titled *Building Confidence – Improving the effectiveness of compliance and enforcement systems for the building and construction industry across Australia*, from Professor Peter Shergold and Bronwyn Weir. The report noted:

“After having examined the matters put to us, we have concluded that their nature and extent are significant and concerning. The problems have led to diminishing public confidence that the building and construction industry can deliver compliant, safe buildings which will perform to the expected standards over the long term.

“We have read numerous reports which identify the prevalence of serious compliance failures in recently constructed buildings. These include non-compliant cladding, water ingress leading to mould and structural compromise, structurally unsound roof construction and poorly constructed fire resisting elements.”

The NSW government says it supports the vast majority of the report's recommendations and will work with industry and community stakeholders to ensure the reforms are implemented.

But so far on building sites there has been no change. Building inspectors cite a lack of accountability by builders, reflected in poor oversight of construction. And then there is the system of self-assessment that many believe is a major cause of problems in the first place.

Self-assessment means tradies and sub-contractors police their own work. They present their own certificate of compliance for the lighting they install or whatever other work they have done to the building certifier. There is no independent audit.

All I ask is for someone to come to the site and they're dicking me around ... and this a brand new building.

— Lynda Kypriadakis

Some, like ABBM's Kypriadakis, say the switch from using local councils to certify work to the private sector is also to blame. She says that, given builders employ the certifiers, there is a huge conflict of interest.

"What is the certifier going to do? Not obey the requirements of its employer? At the handover of buildings, there are deadlines, cashflow issues ... it is race to finish the building and bump everyone in. Ensuring everything is done perfectly is not top of the list," she says.

The Australian Institute of Quantity Surveyors agrees there is a lack of independent oversight over construction work but says certifiers shouldn't have to shoulder all the blame.

"There is no real quality control in a lot of construction projects. It's not all the fault of the certifier either ... they are not there to check every single step of the project," the institute's chief executive Grant Warner says.

Then there is the process, or lack thereof, that comes after a defect is discovered. This usually happens after the owners or builders call in an independent inspector.

"Right now," Kypriadakis says, "I am trying to get the structural engineer who signed off on their work in this building to come and look at these cracks we have found. First I get mucked around by the receptionist. Then I get a call from a junior engineer who didn't know the project or which building I was talking about.

"All I ask is for someone to come to the site and they're dicking me around ... and this a brand new building. Twenty years ago if I had rung a builder, he would have raced down to remedy the problem. But that vigilance has now declined, it's all about dodging accountability."



The Opal Tower was evacuated on Christmas Eve. **AAP**

She also sheets home some blame to insurance companies that tell contractors never to admit error. "They avoid fixing problems, stringing out owners, sometimes in court, or even worse, shut up shop and disappear like many private developers.


"If I were queen for a day, I would go back to the independent local authority mode for building certification. Yes, they are slow, but a quality job is not a rushed job. We raced to the self-certification model too quickly. We were not mature enough."

Structural engineering firm Rickard Engineering agrees the current system is broken. The firm's principal Charles Rickard says the the certification of design and construction should not be separated.

"The person who designs must inspect, must supervise, must certify and be completely accountable," he says.

"The current system of design and construct has allowed a total abrogation of those rules and for a culture to prevail where price and program are the principal drivers towards an outcome, rather than quality of product."

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