

BUILDING PERFORMANCE

Earthquake-prone buildings: substantial alterations

A national system for managing earthquake-prone buildings came into effect on 1 July 2017. If a territorial authority (council) determines that your building is earthquake prone, and issues an EPB notice, you must do seismic work to ensure your building is no longer earthquake prone.

Substantial alterations trigger early upgrades

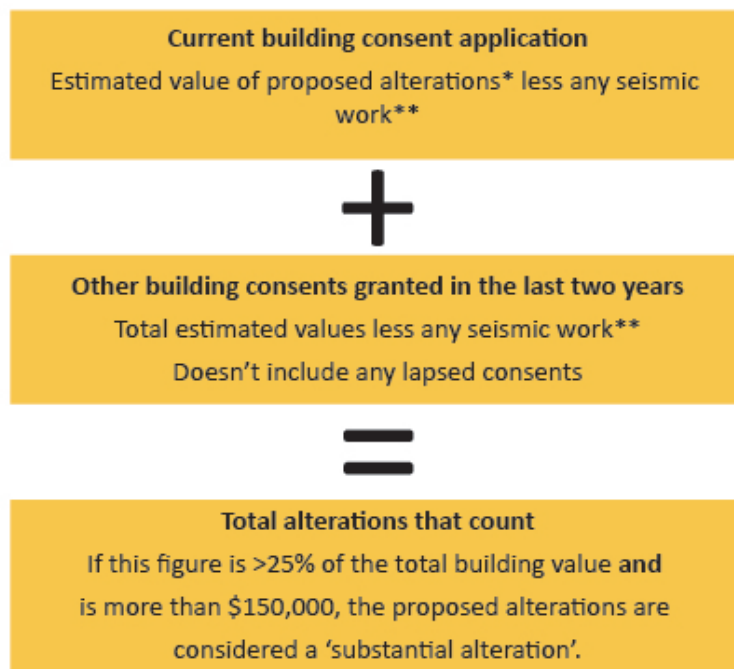
If you are planning substantial alterations to an earthquake-prone building or part, you must do the required seismic work at the same time as the alterations. If you don't do the seismic work, the building consent authority can't grant a consent for a substantial alteration.

Substantial alterations to an earthquake-prone building or part are work that:

- needs a building consent;
- together with other work consented in the past two years, has an estimated value of at least 25% of the building's value and is more than \$150,000.

Councils determine whether building work amounts to substantial alterations when they receive a building consent application. This decision is based on criteria set in regulations. Check with your council if you think work you plan to do on your building could be considered substantial alterations. For example, interior upgrades that require a building consent could be counted towards substantial alterations.

Adding up the alterations



*The estimated value of alterations is the amount on the building consent, or any revised amount owners have later advised to councils.

**Seismic work is building work to ensure that the building or part is no longer earthquake prone. Councils decide what counts as seismic work. This includes strengthening an earthquake-prone building or part, removing or demolishing it.

Determining the total building value

Councils use the total building value when deciding whether proposed alterations to earthquake-prone buildings are substantial alterations. This value only considers the building itself, not the land it's sitting on.

If there's only one building on a property and only one unit paying rates, and all improvements relate to the building, the total building value is determined from the value of improvements in the last calculated rateable value:

$$\text{Total building value (value of improvements)} = \text{Capital value} \text{ minus } \text{Land value}$$

If that's not the case - e.g. a property has several buildings and only one is earthquake prone, or the alteration is to one unit in a multi-unit building - the total building value must be agreed as follows:

1. Owners propose a reasonable figure to the council for the relevant building or their unit
2. They should back this up with suitable evidence
3. If owners can't reach agreement with the council on this figure or they don't propose one, all proposed alterations will count as substantial alterations.

Substantial alterations when parts of buildings are earthquake prone

Since 1 July 2017 part of a building can be determined as earthquake prone. If you own such a building and want to do alterations:

- If your proposed alterations don't include the earthquake-prone part, the council will process your consent application as usual;
- If they do, the council must determine whether these are substantial alterations. In doing so, it has to consider the estimated value of the building work to which the current application relates and all recent alterations – not just those to the earthquake-prone part – against the total building value.

Find out more

<https://www.building.govt.nz/managing-buildings/managing-earthquake-prone-buildings/> has an overview of the new system and links to legislation including the Building Act 2004 and Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005.

www.building.govt.nz/projects-and-consents/planning-a-successful-build/scope-and-design/check-if-you-need-consents/#jumpto-work-exempt-from-consent has more information on work that requires a building consent.

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