

# RUSH TO RUIN

The premature demolition of heritage buildings will harm the city's recovery.

BY REBECCA MACFIE/PHOTOS BY MARTIN HUNTER

Joe and Nicky Arts's 96-year-old High St building is tantalisingly close to the high fence that marks the edge of Christchurch's central city "red zone". If fate had placed their property a few metres to the south or east, it would be outside the cordon and they might have had it fixed by now and been back at work in their printing and card-making company.

Instead, the brother-and-sister team have endured eight months of frustration, during which one corner of their earthquake-strengthened building – one of a row of 16 – was ripped open by the failure of an adjoining, unreinforced building in the June 13 quake. Access to the locked-down red zone has been in fits and starts, with endless frustration caused by what Nicky calls "truckloads of red tape" and constantly changing rules.

On one occasion they were granted access for work on their property and were all set to go, only to be told at the

last minute that their project manager, Hawkins Construction, was not accredited by the Canterbury Earthquake Recovery Authority (Cera).

Only in the past fortnight have they been able to proceed with installing the steelwork that's needed to protect their building from further damage.

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Meanwhile, their printing press – housed in a fully reinforced "bunker" at the rear of the building – sits idle, and they have been forced to keep their business ticking over by putting work through other printers' machines.

Despite the immense obstacles, the Artses' building will survive both the earthquakes and the ravages of the red zone bureaucracy, and

there are hopes the brick row to which it belongs – the Duncan's Buildings – will remain standing as a rare reminder of Christchurch's heritage.

In the near distance, the long yellow arm of a digger punctures a cloud of dust as yet another building is razed. Throughout the city, an army of demolition crews and machines is mulching through hundreds of commercial and public buildings. Some 1200 are expected to be demolished, of which 900 are within the cordoned CBD red zone – roughly half the buildings in the commercial and cultural heart of the city. Well over 600 have already been taken down.

Many of those on the demolition list are buildings that few would shed a tear over, but among those lost so far are 140 heritage buildings listed under the Christchurch City Plan, and 72 registered with the Historic Places Trust.

Of 40 highly significant buildings listed as "must keep" by local heritage group Iconic following the February earthquake, half have been bowled and grave fears are held for others, including the Cathedral of the Blessed Sacrament (built in 1901) and the Canterbury Provincial Government buildings (1858-65).



Joe and Nicky Arts near their business.



The future of badly damaged ChristChurch Cathedral (1864) hangs in the balance; as the *Listener* went to press, no decision had yet been made by the Anglican Church Property Trust – the legal owner – on whether it will be demolished or repaired.

An untold number of non-registered character buildings have also been cleared. Most have come down without a peep of public protest – in part because their demolition has occurred behind the cordon, where the public cannot see; and in part because of a mute acceptance that the clear-felling of “old dungsers” is necessary to speed the rebuilding of the city.

That is until Kit Miyamoto came to town and gave voice to the outrage of heritage

advocates. An engineer whose firm, Miyamoto International, specialises in disaster recovery, he was one of a prestigious lineup of international experts invited to speak in the city in August. But instead of delivering the usual platitudes about the plucky resilience of Cantabrians and the brave leadership of the recovery effort, he dropped a bombshell.

Christchurch, he said, was headed entirely down the wrong track with its strategy of demolishing half the central city. Buildings that could be economically repaired and strengthened were being destroyed, and priceless heritage was being wiped out.

Instead of creating a blank canvas upon

which the city would quickly recreate itself, the demolition crews would leave behind a bleak landscape of empty lots that could take up to 50 years to be rebuilt.

“In a modern society like this, the taking-down ratio should not exceed 10% or 20% maximum,” he said. What he was seeing in Christchurch was simply “unbelievable”.

Miyamoto International engineer Michael King, a Californian now based in the city, claims many of the buildings being torn down could be fixed for 20-30% of the cost of a new building – and in a “fraction” of the time. It’s far better, he argues, to rehabilitate



## The demolition of Red Zone buildings.

regulation of earthquake-prone buildings – has encouraged them to do nothing to strengthen their buildings.

For Christchurch owners faced with the option of repairing damaged buildings or getting an insurance payout, there's a powerful incentive to go for the cash.

"We have owners desperate for us to say the building has less than 33% of new code strength, and is therefore classed as a 'dangerous building'. Then they go along to Cera and have an exchange of letters. The owners hand over the letter from the engineer saying it's under 33%, and Cera hands them a letter saying, 'Tell us how you're going to knock it down within 10 days,'" says the source, who asked not to be named because of his involvement with a raft of clients with damaged buildings.

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Conversely, an owner with an old building that is not assessed as dangerous is effectively disadvantaged – commercial building insurance policies generally don't pay for repairs up to 100% of code, and there is a perception that tenants won't want to return to old buildings. At the same time, building code requirements have been substantially increased, adding significantly to the cost of repair.

In addition, in the hostile post-quake insurance environment, the cost of cover on pre-1935 buildings – if it can be obtained at all – has risen exponentially. Christchurch property developers Dean Marshall and Shaun Stockman owned 20 heritage buildings in the High St area, of which 16 have been demolished. One that remains standing was strengthened to 100% of code in 2007 and has come through the earthquakes virtually unscathed – yet the cost of insuring it has gone from \$6000 a year to \$60,000, with an excess of \$400,000.

Stockman says the extra cost can't be passed on to tenants, so the cashflow generated by the building will fall by \$54,000, which is equivalent to a \$700,000 loss in capital value.

Even for buildings of great historical significance, there is little standing in the way of demolition. The 1881 Guthrey Building in Cashel St – category I on the Historic Places Trust register – was demolished

existing buildings than to continue with an "absolutely frightening" rate of demolition – only to find that when the cordon comes down next April the city has been reduced to a dust bowl where tenants won't want to go and where developers won't want to invest.

King says cost-effective engineering solutions exist for damaged heritage buildings – cracked masonry walls can be taken down, strengthened and replaced; foundations can be retro-fitted; steel rods can be added for ductility. He cites the case of one building he saw recently, with loose parapets, a lintel where the bricks have bowed out and a cracked wall, which has been slated for demolition. Yet it could be

fixed in a matter of weeks, he argues.

But if it is as easy as King says to save these buildings, why isn't it happening?

The answer seems to lie in a complex combination of insurance, Cera's sweeping powers, tighter building requirements and the demographic make-up of Christchurch commercial building owners.

In California or Japan, where a building might have only 15% earthquake insurance cover, owners will stand in front of the bulldozers to protect their property, observes one local engineer with extensive experience in retrofitting historic buildings. In contrast, New Zealand property owners have had access to cheap and abundant insurance that – combined with slack

# Newcastle rising

How one city dusted itself off and started over. BY SALLY BLUNDELL

Three years ago, downtown Newcastle in New South Wales was dying from the inside. A magnitude 5.6 earthquake in 1989, the closure of the local steelworks 10 years later and relentless suburban growth had left the old industrial city a graffitied wasteland of boarded-up buildings and “for lease” signs.

Today, Newcastle’s CBD is humming with artist studios, design and IT workshops, own-label fashion boutiques and independent record stores, thanks to a low-budget DIY urban renewal project using vacant buildings and short-term leases to trial new ideas and launch new projects.

“Often, too much thinking on cities is about hardware and structures as

Westbury persuaded downtown property owners in Newcastle to agree to 30-day rolling “Licence to Access” agreements to attract short-term, initially rent-free tenants while more longer-term tenants were sought. The result was a burgeoning neighbourhood of creative industries, new shops, experimental artist spaces and craft studios – a successful alternative to standard mall-fare as well as a model that avoids the risks of huge capital investment or protracted consent processes.

In Christchurch this week at the

**“How do you ensure a city is creating opportunities for people who don’t have a lot of capital?”**

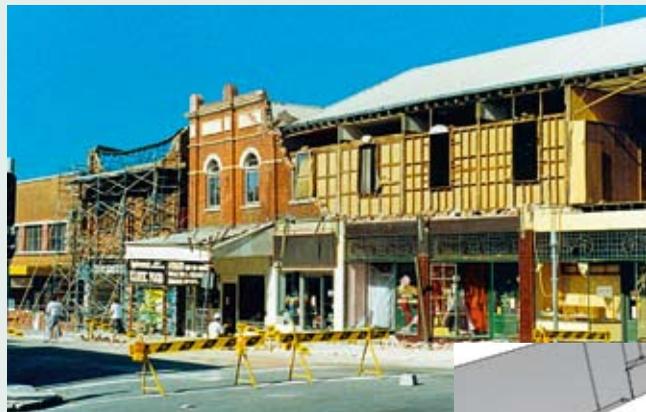
necessary for urban revitalisation: keep it cheap, keep it vibrant, keep it small. He points to the success of Melbourne. In the mid-1990s, he says, the city was “shot” – 1000 people were leaving

Victoria every week for Queensland. Recently voted the world’s most liveable city, Melbourne is popular now, he says, at least in part because of its commitment to the small in scale.

“It’s full of diverse, small-scale cultural activities – record shops,

second-hand bookshops, galleries. They are viable because their footprint is small.”

As a city is transformed, he says, that scale, often an intrinsic part of the original urban streetscape, is frequently put under threat. “There’s a tendency to build large boxes and by their very nature eliminate opportunities for the fine-grained creative opportunities that make a city. If you don’t allow for that, you end up creating giant boxes that are found anywhere. The challenge for any place is how can you be somewhere, not anywhere.”



Union St shops damaged in the quake.

opposed to the dynamics of creativity or entrepreneurship,” says festival director, writer, broadcaster and founder of Renew Newcastle Marcus Westbury.

“How do you ensure a city is constantly creating opportunities for people who don’t have a lot of capital? How do you create structures and frameworks that allow people to do things easily? We have a system that brokers cheap rent and simplicity of process – we make it easy for people. We plant as many seeds as possible and see what grows, and it has been incredibly effective as a catalyst for a whole wave of economic and community-based activity. If you create a driver for activity, economic life comes back, business comes back. Decay creates decay, activity creates activity.”

Beginning on a shoestring budget,



Part of the Newcastle town plan.



**The Cathedral of the Blessed Sacrament. Above, Christchurch Cathedral.**

despite intense efforts by heritage architects and engineers to save the facade, and the promise of \$500,000 from the Canterbury Earthquake Heritage Building Fund. But owner Peter Guthrey says the project would have cost \$1.3 million, with no guarantee of further funding or that the finished building could be insured. In the end he felt the public funds were better directed at the prestigious Arts Centre (estimated to have suffered \$240 million in damage).

Similarly, the 1903 Horse Bazaar on Lichfield St – registered by the Historic Places Trust as a category II building – is coming down, despite the investment of \$250,000 of public money in its restoration. Owner Simon Henry says insurance is 40% less than the cost of repair, so it doesn't make economic sense to save it.

But engineer Barry Knowles, who has earthquake-strengthened many old Christchurch buildings, believes poor-quality estimates of repair costs are being drawn up by engineers with little experience on heritage buildings. He agrees with King that many could be saved for substantially less than the price of a new building.

"A lot of [owners] want a new building, so they get very high prices for repairs ... And there is a lack of expertise on pricing this sort of work." He has seen estimates that are five to six times higher than what he would consider a realistic cost.

In a similar vein, one engineer told the *Listener* the 1905 Regent Building in Cathedral Square – registered as category I by the Historic Places Trust – could have been saved for a "minor investment". Instead, it has been demolished.

Knowles believes insurers are paying out on the basis of inflated repair estimates because they want to get old buildings off their books. Insurance Council chief executive Chris Ryan says insurers have little choice but to pay if presented with findings from Cera and engineers that a

building is unsafe, and owners who want cash settlements.

Another driver behind the pace of demolitions is that many of Christchurch's commercial building owners are elderly, passive investors, whose properties were often poorly tenanted before the earthquake and who don't have the skills or the stomach for complex restoration projects. An insurance payout gives them a way out.

Knowles disputes the suggestion Cera has been forcing unwilling owners to demolish.

**Instead of creating a blank canvas upon which the city would quickly recreate itself, the demolition crews would leave behind a bleak landscape of empty lots.**

Although the agency recently ordered the demolition of the heritage Highpara Apartments against the owners' wishes, Knowles says generally Cera has allowed owners with "realistic" repair plans and sufficient financial backing to go ahead.

Nevertheless, the traditional guardians of heritage buildings – the Historic Places Trust and city council heritage staff – have been rendered toothless. Although personnel from both agencies provide advice to Cera on heritage buildings – and in 50% of cases the Historic Places Trust has recommended repair rather than demolition – they have no say over the final decision. Further, Cera has made the demolition of heritage buildings a permitted activity under the Christchurch City Plan, which means the normal opportunity to make submissions via the resource-consenting process has been lost.

The forces aligned against the restoration of heritage buildings are such that the \$4 million Canterbury Earthquake Heritage Building Fund – set up after the September quake – has so far been able to make only five grants, worth a total of \$1.6 million.

Fund chairwoman Anna Crighton says few applications are being received because the roadblocks in the way of heritage retention are so overwhelming for owners. "It's just a nightmare to try and save heritage in Christchurch."

But although the cost of saving old buildings might be considerable, the cost of continuing to bulldoze them into the landfill may be just as great. Bill Johnson, a former Alabama politician who ran that state's recovery effort after Hurricane Katrina and is now based in Christchurch as head of disaster recovery company Ceres Environmental, fears the demolitions are increasing the risk of capital flight. As buildings come down and owners are cashed out by their insurers, the financial ties that connect them to the city are cut.

Instead of giving owners an "exit ticket" out of town, he says, Cera should be encouraging them to come together in precincts to find out who plans to stay and who wants out, identifying the obstacles to getting their street reopened, and working collaboratively on repairs and redevelopment.

"Cera is looking at streets in terms of demolition, not in terms of 'what do we need to do to open this street?'"

In the area around High St, property owners are working with Johnson and Miyamoto's King in the hope that by collaborating they can rescue the Victorian and Edwardian buildings that are still standing, and retain the facades of the historically significant 1881 Excelsior Hotel and 1910 McKenzie & Willis building.

Delicate negotiations are under way in a bid to convince Cera to remove the barricades around the precinct, so that property owners can get to work preserving what's left of this small corner of the city's heritage – and so that business owners like Joe and Nicky Arts can get back to work. ■