

Grouting cause of damage to Collins Arch: developer

Michael Bleby

Multiplex said incomplete grouting had caused crumbling of precast concrete columns at the \$1.2 billion Collins Arch project, halting work at the Melbourne CBD site and triggering an investigation by structural engineers.

The builder said there were no structural problems with the building, the design or the precast columns separating floors but that "spalling", or crumbling, of the pillars had occurred where pressure built up because the grouting was not evenly spreading the load of the column above.

"In limited locations the liquid grouting solution between the column and the floor slab has been found not to have fully penetrated, leading to minor spalling of the precast column edges," Multiplex said on Wednesday.

"The columns in question have since been remediated in accordance with

the engineers' recommendation and a full audit of all precast structural columns is expected to be complete later today." The builder, which said work resumed on site on Wednesday morning, did not say how many columns had been affected or what level or levels of the 44-level twin-tower project were affected.

Poor grouting is a common problem on commercial building sites – it was part of the problem at Sydney's troubled Opal Tower, from which residents were evacuated on Christmas Eve and again four days later.

It is a failing of state and territory governments that regulators have no powers to enter commercial building sites to check compliance and workmanship, construction lawyer Bronwyn Weir said.

"There is no scrutiny in this high-rise construction sector," said Ms Weir, a co-author of last year's *Building Confid-*



Multiplex regional managing director Graham Cottam on site at the Collins Arch project last week where "spalling" has occurred. PHOTO: EAMON GALLAGHER

ence report, whose 24 industry recommendations all jurisdictions have said they will adopt.

"There is none. They need the powers, they need the strategy and they need to be held accountable to it.

"There are massive gaps right around the country on this stuff."

Two recommendations in the report Ms Weir authored with academic Peter Shergold specifically give regulators the authority – currently held by local councils – to inspect commercial sites and to regularly report their findings.

However, Victoria has only so far agreed to give in-principle support to

the two recommendations. That puts it – and WA – behind NSW, Queensland, Tasmania, ACT, NT and SA, which have taken steps to bring about such regimes, a federal government report shows.

Federal Industry Minister Karen Andrews said states and territories needed to make the changes recommended by the Shergold-Weir report. "Public safety is always the top priority when it comes to building regulation, and our state and territory compliance and enforcement systems need to be robust enough to support that outcome," Ms Andrews said.

Nine site returned to the market

Su-Lin Tan and Lucas Baird

Sydney-based business Lotus Group and Hong Kong-based property group, Euro Properties are selling their 2.9-hectare Nine Entertainment site on Sydney's north shore, backing out of plans to develop apartments on the block.

The pair is selling the Willoughby site with an approved masterplan, four years after beating strong competition to buy the coveted block for \$147 million.

The sale will include permits to build a 460-apartment project across nine buildings with an end value of \$1 billion. It is also being marketed with existing cashflows with the Nine Entertainment lease in place until 2020, when it moves to its new headquarters in North Sydney.

"Since the joint venture acquired the site in August 2015, we have added considerable value in developing the masterplan," Euro Properties executive director Jeff Chan said.

"The joint venture has had numerous advances from prominent groups and has resolved to take the site to market now that significant value has been added to the site through the uplift in density with a new masterplan."

The housing downturn has forced many to reconsider their development plans, in particular apartment projects, but equally, many developers with good sites such as Nine have taken profit with an early sell-out.

Colliers International's Guillaume Volz, who is handling the sale, said the site could offer new opportunities for developers when the apartment supply starts to taper off in 2020. The Nine site in particular offers good value because its current owners have maximised the number of units that can be developed on the site, Mr Volz said.

"A lot of developers have either held off buying waiting for better market conditions or have not found suitable sites to acquire. This prudent approach has, however, led to many companies facing a gap in their development pipeline," he said.

The masterplan allows for a "contemporary village-style community" with green spaces and piazzas.

Opal Tower tenants rorting on allowances claims

Su-Lin Tan

Sydney Opal Tower tenants are rorting on rents and accommodation allowances made by builder Icon, profiteering from the tower's catastrophe, apartment landlords say.

Several tenants have been double dipping by accepting allowances provided by Icon – up to \$4300 a week for both accommodation and living expenses – but refusing to pay rent, the landlords say.

Residents were evacuated from Opal Tower in Sydney's Olympic Park last Christmas eve following cracking sounds at the tower. Subsequent investigations by the NSW government have revealed defects at the tower caused by the poor assembly of pre-fabricated panels on several floors were responsible for the cracking.

Since Christmas, Icon has been foot-

ing the bill of hotel accommodation for displaced tenants who stay in various locations, including Darling Harbour, or paying an accommodation allowance to those who stay at non-hotel locations, as well as paying living expenses, such as meals of around \$120 per tenant a day.

Icon is offering accommodation allowances of between \$220 a day for one-bedroom apartments and \$500 a day for four-bedroom apartments.

Weekly rents at Opal Tower range between \$500 to \$700.

To date, Icon said it had paid about \$10 million in total.

Icon is trying to police the situation demanding tenants who are making claims to prove their tenancy and write a statutory declaration that they are still living in the building.

"Several owner-investors have reached out to Icon and advised that

their tenants have not paid rent," Icon said to residents in a notice.

"We understand that there may be several factors associated with this, however Icon strongly encourage that all tenants continue to pay their rent as the accommodation allowance provided in good faith by Icon is utilised for temporary accommodation."

While some tenants have continued to pay rent at their vacated apartments or negotiated a rent-free period with their landlords, many have stopped paying rent since Christmas eve.

One landlord, who didn't want to be named, said tenants had "not followed the book". Her tenant stopped paying rent from Christmas eve without communicating with her, but continued to collect Icon's payments.

She said many were trying to avoid lease terminations to continue to collect ongoing Icon payments.



Problems continue for owners Opal Tower apartments. PHOTO: AAP

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