



RESPONSE FROM  
THE TIMARU CIVIC TRUST  
*to*  
ADDITIONAL INFORMATION SUPPLIED  
BY THE APPLICANT  
*in complying with a*  
REQUEST FOR FURTHER INFORMATION  
ISSUED BY THE COMMISSIONER  
*15 Dec 2016*

RESOURCE CONSENT APPLICATION NO. 102.2016.141.1  
*by*  
BAY HILL DEVELOPMENTS LIMITED  
BEFORE THE TIMARU DISTRICT COUNCIL

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*This document produced by David McBride and Nigel Gilkison,  
Board members of the Timaru Civic Trust - March 2017.*

## INTRODUCTION

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This information comprises a response from the Timaru Civic Trust to the further information requested by Commissioner Allan Cubitt. Given the nature of the independent Heritage Assessment provided by Smart Alliances Ltd, and the additional information supplied by the Applicant, the Trust provides a more detailed response than might ordinarily be required.

It should be noted that the document provided by John Gray of Smart Alliances Ltd is titled "Heritage Assessment".

Within the hearing process of this application, there has already been dialogue between heritage architects Jeremy Salmond and Ian Bowman relating to the difference between a "heritage assessment" and a "heritage impact assessment". Both of the architects aforementioned were in agreement that although Mr Salmond's assessment provided as part of the original Application is titled "Heritage Impact Assessment" the document is in fact a "heritage assessment".

Accordingly the Commissioner has requested - by way of his letter dated 15 Dec 2016 - a "heritage impact assessment".

The requested "heritage impact assessment" has been provided by Smart Alliances Ltd as part of a wider view, being Section 3.1 of its "heritage assessment" here under discussion.

The broad heritage assessment provided by Smart Alliances Ltd contains a good deal of factual information, but with some significant omissions and misunderstandings. These areas will be touched upon here in reviewing the document in logical sequence.

## POSITION OF THE TIMARU CIVIC TRUST

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*Ref: Section 1.3 "LOCATION/LEGAL DESCRIPTION"*

*from p.3:*

The full picture should be presented here of the Hydro Grand Hotel's special location with outstanding views across Caroline Bay and the Pacific Ocean to the Southern Alps beyond. (Mt Cook is visible from the Bay Hill.)

The development of Caroline Bay as a summer beach and entertainment resort occurred contemporaneously with the construction of the Hydro Grand Hotel and the Dominion Hotel nearby. The flavour of the Caroline Bay area was given unique character by the planting of Canary Island palms that also occur alongside the main trunk railway, which runs parallel to the Bay Hill below the Hydro Grand frontage. Altogether the Caroline Bay area has an ambience of relaxation and happy seaside holidays surrounded by palm trees, sunshine and sea breezes.

Herbert Hall captured this tone in his buildings both on Caroline Bay itself, and above, in the form of the Hydro Grand Hotel. Altogether this special zone has a tone and flavour unique to Timaru. It is a highly marketable image that the people of Timaru are not keen to lose.

This aspect appears to be missing from the heritage assessment under discussion. It must also form a fundamental part of any "heritage impact assessment" that is discussing the potential total loss of the Hydro Grand Hotel.

*Ref: 1.5 "BRIEF DESCRIPTION OF THE BUILDING"*

*first line p 7*

There is mention of "neglect of the building over a minimum 13 year period". However this is not borne out by the facts, as follows.

An earlier report by Powell Fenwick with regard to the condition of the building as at 26 Nov 2008 was included in the original Application. To quote from that report:

*"At this time a visual inspection was conducted of all of the accessible spaces. Parts of the structure were exposed in several locations prior to our visit to enable an accurate assessment of the building construction. The access to the building included all three levels of the building, the roof space and the exterior walls. Many photographs were taken."*

*"Our inspection of the building showed that, with a few exceptions, the structure of the building is generally in a reasonable condition and showed no signs of visible degradation."*

*"In the areas where the foundations could be viewed, the concrete was in good condition and showed no signs of visible degradation."*

*"All of the masonry that was able to be viewed was in reasonable condition. The exception of this, is in the area of the central courtyard areas, where mortar has degraded forming grooves into the mortar joints."*

*"The bulk of the timber floor structures are in good condition with no apparent rotting either visible or felt during our inspection of the building."*

(Minor areas of degradation are then noted in this Powell Fenwick report of 2008.)

*"The structure of the roof is in a good condition."*

Powell Fenwick revisited the building in Nov 2015. In a subsequent letter to the owner Powell Fenwick commented *"Generally this inspection corroborated the observations made during the inspection in 2008, though further inspection revealed that the water damage and rot is worse than reported in 2009, to the point that we consider much of the existing timber framing will require replacement, especially at the ground floor."*

*"There was no observed earthquake damage to the building. Cracking to the external and internal linings were noted in 2008 and do not appear to be related to seismic movement. The overall structure does not appear to have been affected by the Canterbury earthquakes."*

Accordingly, any damage to the building more serious than that described above, is very recent indeed, contrary to the Smart Alliances heritage assessment of 2017.

*page 8, lower*

The comment is made *"it is very apparent that this building was definitely built to a strict budget as regards the lack of fancy finishes"* and further on *"the expected higher class decorative finishes were never installed in this hotel building"*.

Regrettably this comment shows a lack of understanding of Arts and Crafts style as it was expressed in Timaru at that time.

The English Arts and Crafts movement was a philosophical one, and stemmed from the pre-Raphaelite painters. The thinking was, that Britain should re-adopt the simple traditional materials and forms evident in the English countryside prior to the Renaissance. The Renaissance movement of continental Europe had led to mannerist affectation. Simplicity was superior, in all things.

The early architects in Timaru - Daniel West, Herbert Hall, James Turnbull, Percy Rule, Walter Panton and others, looked to keep things simple. There was minimal decoration in their buildings, and this was in tune with the rapid abandonment of Victorian style decoration worldwide. Materials were kept simple - brick, plaster, timber, steel.

Accordingly there would have been no elaborate decoration in the Hydro Grand, and this was a stylistic preference not a matter of restricted budget. This skill in delivering a beautiful end product by careful attention to modelling and proportions, using the simplest of materials, is a quality factor evident in the exterior of the Hydro Grand.

*Ref: Section 3.2 "DISTRICT PLAN HERITAGE PROTECTION PROVISIONS"*

*from p.17:*

The earlier submission by the Timaru Civic Trust pointed out in detail the strength of the Timaru District Plan in the promotion and preservation of heritage sites, precincts and buildings and does not need to be repeated here. The Smart Alliances report confirms that the Hydro Grand Hotel conforms in every way with the criteria under Policy (6) to warrant heritage protection under the District Plan.

*At p.23 last paragraph:*

*Mr Gray states "I am sure that some form of adaptive reuse would be possible with this building, within the overall redevelopment of the site. However, the cost of such adaptive reuse is entirely dependent on the current condition and structural form of the building and the standard of redevelopment which is to be achieved."*

The Timaru Civic Trust believes that rejuvenation of the Hydro Grand Hotel is indeed viable.

*At p.24 leading paragraph:*

Some of the comments here do amount to conjecture and are not cognisant of evidence already presented eg. the low cost of Hadley & Robinson's structural scheme to bring the building to 100% of NBS, and the keen interest shown in a redeveloped Hydro Grand Hotel by experienced hotel management companies such as Heritage Hotel Management and (separately) Small Hotels of New Zealand.

In order to provide the Commissioner with adequate information as requested of the Applicant the Timaru Civic Trust has set about determining the cost of a refurbished Hydro Grand Hotel using the proposed floor plan provided in earlier evidence. This model proposes hotel accommodation on the first and second floors with independent food and beverage operators on the ground floor who would fund their own establishment costs ie. detailed fitouts.

That cost analysis is provided as an attachment here, from Harrisons Quantity Surveyors (p.18 et seq.).

*Ref:* Section 3.5 "ASSESSMENT CRITERIA TO ASSIST IN THE IDENTIFICATION OF HISTORIC HERITAGE VALUES"

*p. 25*

This Section provides the preamble and justification for the approach utilised in Section 3.6

*Ref:* Section 3.6 "GENERAL ASSESSMENT OF SIGNIFICANCE"

*P. 26 et seq*

The approach used within this Section is to ask 18 testing questions. The Timaru Civic Trust believes that these questions need firm answers: yes, no, and neutral - should there be no appropriate yes or no answer. The Trust's response to the 18 questions is as follows:

### **PHYSICAL VALUES**

#### **Q.1 ARCHAEOLOGICAL INFORMATION**

*"Does the place or area have the potential to contribute information about the human history of the region, or to current archaeological research questions, through investigation using archaeological methods?"*

Answer: **Neutral**, since archaeological significance is not known.

#### **Q.2 ARCHITECTURE**

*"Is the place significant because of its design, form, scale, materials, style, ornamentation, period, craftsmanship, or other architectural element?"*

Answer: **Yes**

Reason: all architects involved in submissions for and against this Application have described the architectural merits of the Hydro Grand Hotel, as has the Urban Design Panel appointed to consider this Application. The Urban Design Panel (comprising 2 architects together with other professionals) has described the Hydro Grand Hotel as an iconic building.



### Q.3 TECHNOLOGY AND ENGINEERING

*"Does the place demonstrate innovative or important methods of construction or design, does it contain unusual construction materials, is it an early example of the use of a particular construction technique or does it have the potential to contribute information about technological or engineering history?"*

Answer: **Yes**

Reason: The building has shown exceptional resilience to seismic loads, in particular from the recent Canterbury earthquakes of Sep 2010 and Feb 2011. Investigation is justified as to the overall building profile, the brick bonds used, connections to floor plates etc. Independent examinations of the building report no seismic cracking before and after these events, which did cause considerable damage to buildings in Timaru.

### Q.4 SCIENTIFIC

*"Does the area or place have the potential to provide scientific information about the history of the region?"*

Answer: **No**

### Q.5 RARITY

*"Is the place or area, or are features within it, unique, unusual, uncommon or rare at a district, regional or national level or in relation to particular historical themes?"*

Answer: **Yes**

Reason: As noted by Mr Gray and furthermore as particularly noted in the expert evidence of Ian Lochhead at the hearing of this Application. In addition, the word "Hydro" was inserted in to the name of the hotel because of a saltwater bath facility provided for guests. This relates the Timaru hotel to the Hydro Majestic Hotel in the Blue Mountains west of Sydney

### Q.6 REPRESENTATIVENESS

*"Is the place or area a good example of its class, for example, in terms of design, type, features, use, and technology or time period?"*

Answer: **Yes**

Reason: All architects and architectural commentators engaged with this Application have mentioned the architectural style of the building as Edwardian baroque, or Edwardian baroque with a Mediterranean influence, and the similarity to seaside buildings in Britain of this era.

#### Q.7 INTEGRITY

*"Does the place have integrity, retaining significant features from its time of construction, or later periods when important modifications or additions were carried out?"*

Answer: **Yes**

Reason: Despite alterations over the years the building retains its essential external character and remains immediately identifiable as the Hydro Grand Hotel. The building is still being photographed by visitors every single day as the emblem of Timaru by the sea. It is still being painted regularly by amateur and professional artists as the emblem of Timaru and these works are sold regularly in art galleries.

Internally, the skilful upper floor plan layout of Herbert Hall remains timeless and with minimal adjustment serves as the model for any ongoing rejuvenation of the hotel. In this case "facadism" is not a valid description or a potential criticism of such a renovation.

#### Q.8 VULNERABILITY

*"Is the place vulnerable to deterioration or destruction or is threatened by land use activities?"*

Answer: **Yes**

Reason: The building has not been properly looked after in the last few years and is showing signs of degradation in minor areas. If left unattended the building will deteriorate further.

#### Q.9 CONTEXT OR GROUP

*"Is the place or area part of a group of heritage places, a landscape, a townscape or setting which when considered as a whole amplify the heritage values of the place and group/landscape or extend its significance?"*

Answer: **Yes**

Reason: There is more than one reference to this corner precinct, to be informed by. The Timaru Inner City Heritage Audit identifies this corner precinct as a special feature of the CBD.

Within that document the precinct is named "The Hydro Precinct" owing to the significance of the Hydro Grand Hotel and its prominent corner feature the cupola and open circular loggia beneath. The Urban Design Panel appointed to consider this Application pointed out the significance of this corner and how the corner tower and dome of the Hydro Grand symbolise an end to the retail chain of the CBD and the opening to broader horizons once one reaches the top of the Bay Hill. The Hydro Grand is quietly triumphant on this corner.

### **HISTORIC VALUES**

#### **Q.10 PEOPLE**

*"Is the place associated with the life or works of a well-known or important individual, group or organisation?"*

Answer: Yes

Reason: The building was designed by Herbert Hall one of New Zealand's leading architects and architect of the second Hermitage at Mount Cook and the Chateau Tongariro. Herbert Hall was awarded the Gold Medal of the New Zealand Institute of Architects in 1935. Under that process, just one Gold Medal was awarded nationwide each year to the most deserving architect as opposed to the host of awards achievable today. Herbert Hall's son Humphrey became an architect of note, designing the third Hermitage Hotel at Mt Cook and running a very successful modernist practice in Christchurch. Herbert Hall's grandson Philip Hall QC is a prominent lawyer in Christchurch.

#### **Q.11 EVENTS**

*"Is the place associated with an important event in local, regional or national history?"*

Answer: Yes

Reason: From the history noted in Mr Gray's report, and for the ongoing popular association of the Hydro Grand Hotel with summer holidays based around Caroline Bay, Timaru. The Caroline Bay Carnival is staged each summer during the peak holiday period, with a good deal of free entertainment.

#### Q.12 PATTERNS

*"Is the place associated with important aspects, processes, themes or patterns of local, regional, or national history?"*

Answer: **Yes**

Reason: As above. The Hydro Grand Hotel has been instrumental in giving Timaru a national profile, hence the nationwide publicity (and indeed in Australia) following the announcement that there was an intention to demolish the building. *Stuff.co.nz* gave this news full blast.

#### Q.13 IDENTITY

*"Is the place or area a focus of community, regional or national identity or sense of place, and does it have social value and provide evidence of cultural or historical continuity?"*

Answer: **Yes**

Reason: Mr Gray comments that in its role as a full hotel providing accommodation, food and beverage facilities the hotel would have attracted "probably millions of locals and visitors alike", and the building "would be instantly recognizable to many travellers".

Timaru is not a very large town. How then has a hotel attracted "millions of locals and visitors alike" and be "instantly recognizable" to many travellers? The answer is, by being an emblem for Timaru and its wider region; an icon of national significance.

The layout of the ground floor of the Hydro Grand has changed over the years in response to changes in social habits, changes in liquor licensing laws, changes in drink/driving policies, etc. The hotel has responded to these changes in various ways.

A further aspect of social importance is this. For many years - c.1950 - c.1995 the hotel ran a restaurant and three bars. An atmospheric public bar, complete with wall linings of polished cedar and an open fire, attracted working men from the port, the wool stores and the freezing works at the end of a long day.

On a completely different note the house bar was available until late hours for hotel guests and their invitees.

The key element however was the private bar with leather banquette seating that provided the favourite meeting place for town and country people on Friday and Saturday nights. This was the most popular forum for Timaru businessmen (soon businesswomen) farmers and their partners. With the demise of the Hydro Grand through poor management this facility has not ever been properly replaced in Timaru. The potential to revive this role is still very much there.

**Q.14 PUBLIC ESTEEM**

*"Is the place held in high public esteem for its heritage or aesthetic values or as a focus of spiritual, political, national or other cultural sentiment?"*

Answer: **Yes**

Reason: These attributes have been instrumental in the Hydro Grand Hotel receiving heritage protection through Heritage NZ and the main instrument of local public sentiment the Timaru District Plan.

Mr Gray is correct in saying that the community is split at present over the quality of the Hydro Grand Hotel since its demise has been given deliberate and exaggerated publicity through local media who have failed to explore the facts. The message has been delivered repeatedly that the building is structurally deficient and is beyond repair, when clearly this is not true. There is a large section of the South Canterbury community that holds the Hydro Grand Hotel in high regard for its aesthetic, and heritage value. This section of the local populace sees the Hydro Grand as an ongoing anchor for redevelopment of the CBD, and the re-awakening of tourism in the region. At present there is no adequate boutique hotel in Timaru.

Q.15 COMMEMORATIVE

*"Does the place have symbolic or commemorative significance to people who use or have used it, or to the descendants of such people, as a result of its special interest, character, landmark, amenity or visual appeal?"*

Answer: **Yes**

Reason: These qualities have been described above, and are indeed additive as noted in this question - special interest, special character, special landmark site, special visual appeal.

Q.16 EDUCATION

*"Could the place contribute, through public education, to people's awareness, understanding and appreciation of New Zealand's history and cultures?"*

Answer: **Yes**

Reason: The building stands as a very skilful example of architectural composition using Europe as the model in an era when New Zealand had not gained the self-independence evident in New Zealand architecture today. New Zealand was both stylistically (ie.following fashion) and economically, tied to Britain.

Q.17 TANGATA WHENUA

*"Is the place important to Tangata Whenua for traditional, spiritual, cultural or historical reasons?"*

Answer: **No**

Reason: As noted above, the early architecture of the Timaru CBD was Eurocentric.

Q.18 STATUTORY RECOGNITION

*"Does the place or area have recognition in New Zealand legislation or international law including: World Heritage Listing under the World Heritage Convention 1972; registration under the Historic Places Act 1993; is it an archaeological site as defined in the Historic Places Act 1993; is it a statutory acknowledgement under claim settlement legislation; or is it recognised by special legislation?"*

Answer: **Yes**

Reason: As noted by Mr Gray, the Hydro Grand Hotel is well regarded and well protected from inappropriate alteration or demolition. The Heritage New Zealand register is a record of national significance. In addition, the Timaru Inner City Heritage Audit records the Hydro Grand Hotel as a key element in the CBD, Category A and establishes a key precinct - the Hydro Precinct. In turn the Timaru Inner City Heritage Audit is recognised within the Timaru District Plan.

#### SUMMARY OF SECTION 3.6 "GENERAL ASSESSMENT OF SIGNIFICANCE"

Out of the 18 questions asked, the outcome is:

Questions answered in the affirmative	15
Questions answered in the negative	2
Questions that are neutral	1

Without doubt the Hydro Grand Hotel is a building of exceptional heritage significance.

#### Ref: SECTIONS 3.7 and 3.8 "DETAILED ASSESSMENT OF INDIVIDUAL SPACES AND ELEMENTS OF THE BUILDING"

The Timaru Civic Trust sees the future of the Hydro Grand Hotel as an upgraded boutique hotel. Accordingly the precise nature of existing interior fittings and finishes is of little consequence. As already mentioned the room layout of the two upper floors would be preserved thus obviating any potential criticism of "facadism".

The ground floor has been subjected to many crude alterations in recent times and its present state is of no consequence.

*Ref: 3.9 "SUMMARY STATEMENT OF HERITAGE SIGNIFICANCE"*

*p. 91*

It is necessary to take issue with several of the critical comments made here.

*1. ref: p.91*

The removal of the gable forms to the exterior has not been totally harmful to the exterior appearance of the building, but in any case they are inexpensive to replace. Refer Applicant's estimate of \$52,500.00 nett.

*2. ref: p. 92 upper*

The comment is made that "There is little of the timber or pressed metal panelling or ceilings or extensive decorative mouldings, one would have expected to see in the prominent public areas of a well-appointed hotel of this era." However the "public areas" of the Hydro Grand are all on the ground floor and the built fabric on this floor level is a long, long way from the original. But in any case, as previously noted in this submission, decorative trim was not high on the priority list for Arts & Crafts architects.

It should be noted that Mr Gray records some "notable local public esteem for the building."



*Ref:* Section 4.1 "ASSESSMENT OF IMPACTS"

*ref:* p. 93

At this point in the document one might expect to see some grappling with the big issue, being: is it tenable to demolish an iconic building that has stood the test of time in every conceivable respect, and has provided so much unique character and flavour to the heart of Timaru, and replace it with an office building that is vastly out of scale to the surrounding precinct, and modelled on a style of building that is prevalent on the east coast of Australia?

**The heritage impact of this Application is the total loss of all heritage elements associated with the Hydro Grand Hotel.**

The Timaru Civic Trust has shown, through the clever design skills of Lou Robinson of Hadley & Robinson that the building can be easily strengthened to 100% of NBS for a modest monetary outlay.

The structural work and a concept for the upgrading of the interior of the hotel have been costed by a quantity surveyor showing that it is feasible to rejuvenate the Hydro Grand Hotel.

The proposal for the development of the subject site comprises a new office block (to replace the Hydro Grand Hotel), a new apartment block, and a new hotel. An alternative approach would be to say: the hotel is already there, bring it back to life, and develop apartments and offices (should there indeed be the demand) on the balance of the site.

It is not tenable that a building with substantial heritage protection can be neglected and allowed to deteriorate to the stage whereby the owner is claiming that the building is not salvageable. There is no evidence of feasible re-use projects being investigated, such as:

- a medium sized conference and wedding venue on the ground floor with captive accommodation above; or
- an international language school with in-house accommodation on the upper floors (modest capital outlay); or

- a boutique polytechnic institute focusing (say) on wine and cuisine, again with in-house accommodation; or
- a tourist accommodation facility targeting the Air B'nB type market in a novel and quirky way with local heritage flavour; or
- finding a new owner (the building has not been advertised for sale in recent years.)

*Ref:* Section 4.4 "CONCLUSION"

*p. 101*

It is necessary to comment on the list of parameters seen (in the Heritage Assessment) as influencing any right to demolish the Hydro Grand Hotel. To follow the list:

(a)

Internal health and safety issues are easily remedied by preventing vermin from entering, and maintaining cleanliness. This is very basic stuff.

(b)

The building can be easily strengthened, and renovated in general. Overall the building is robust and in good condition as evidenced by the two Powell Fenwick reports from 2008 and 2015.

(c)

Since there are an infinite number of potential options for adaptive reuse, it is not valid to claim that all such options have been investigated. (Refer p. 102, 3<sup>rd</sup> last paragraph.) In fact very few options for adaptive re-use have been "investigated and analysed".

(d)

The only rejuvenation project investigated by the Timaru Civic Trust, a restored hotel, is viable. Many other options would also be viable.

(e)

The necessary strengthening and other work would not be at all intrusive.

(f)

The overall heritage values are definitely greater than "considerable" and are in fact "exceptional" as noted above using Section 3.6 of the Smart Alliances report.

(g)

Mitigation measures are not needed if there is no demolition.

On p. 103 Mr Gray follows the observations of Mr Patterson of Powell Fenwick but in fact a superior and more cost effective structural solution has already been provided by Lou Robinson of Hadley & Robinson. Mr Robinson's structural scheme overtakes all of Mr Gray's comments on p. 103 of his report.

The Timaru Civic Trust believes that the Hydro Grand Hotel possesses exceptional character and history unique to Timaru and must be saved from demolition.

End of section

## COMMENTS ON COST ESTIMATES

by the TIMARU CIVIC TRUST

Having attended the entirety of the original hearing of this Application and having also read through both the Commissioner's request for further information (dated 15 Dec 2016) and AECOM's letter of response (dated 30 Jan 2017) the Timaru Civic Trust believes that AECOM may not have fulfilled the Commissioner's request (item 4) to *"...provide succinct summaries of the cost of strengthening the Hydro Grand Hotel without the costs of additional fitout work."*

The Civic Trust believes that the intent of this request for a further breakdown of the building cost analysis was to allow an accurate and isolated estimate of structural strengthening costs (alone) of the AECOM costed refurbishment scheme to be established. This would allow this figure so obtained to be compared directly with the structural strengthening costs of the alternative (Hadley & Robinson) 100% NBS strengthening proposal, as provided by Harrisons Quantity Surveyors for the Timaru Civic Trust.

In the AECOM letter in response (dated 30 Jan 2017) from Mr Frusher and Mr Davidson, which has been submitted as further evidence in this Application, the authors state that *"the Elemental Estimates provided for strengthening the building to 34%, 67% and 100% NBS as shown in items 2.1, 2.2, and 2.3 of the AECOM report have no additional fitout work included."* However, in analysing AECOM's original submitted elemental cost estimates (for items 2.1, 2.2, and 2.3), it is clear that these estimates do include substantial building refurbishment costs, in addition to the costs associated solely with the required structural strengthening for seismic and other loads.

These additional costs include such things as new fire protection measures, replacement of electrical, plumbing, heating and ventilation services, new internal linings and replacement of sanitary fixtures and fittings, as well as including costs for finishes such as paint, tiles and carpet, amongst other elements. There are also many other cost items included in the AECOM Elemental Estimate which are actually associated with the anticipated structural repair and general refurbishment as well as upgrading the building fabric (such as replacement of roof coverings, windows and rotten timbers) which are required to bring the building to an acceptable standard for occupancy, and that have been caused by the decay of the building over recent years and a general lack of maintenance and upkeep.

Clearly, AECOM's Elemental Cost Estimates do include many building 'fitout' costs which are beyond the scope of the required strengthening costs of the building, alone. The fact that AECOM have not provided the requested breakdown of structural strengthening costs may simply be a misunderstanding of the intent of the Commissioner's request, or a misinterpretation of the terminology used (*'additional fitout work'*), but, in the opinion of the Timaru Civic Trust, the applicant's response has not fulfilled the request for further information from the Commissioner.

In the absence of the applicant providing this information the Timaru Civic Trust has engaged Harrisons Quantity Surveyors to provide further building cost estimates, in addition to their original structural strengthening cost estimates for the (Hadley and Robinson) 100% NBS structural strengthening proposals, in order to provide the Commissioner with a true like-for-like comparison of costs with the original AECOM estimated costs for a completely refurbished Hydro Grand Hotel, which is strengthened to 100% NBS (Item 2.3 of the AECOM Report, dated 21 April 2016).

This additional cost estimate has been summarised by Brian Le Fevre of Harrisons Quantity Surveyors (see attached letter, dated 14 March 2017) showing that the cost of strengthening (to 100% NBS - Hadley and Robinson scheme) and refurbishing the existing Hydro Grand Hotel, to a level of finish which is equivalent to that proposed by the AECOM strengthening and refurbishment scheme, is \$8.8M, compared with AECOM's estimated figure of \$13.0M\*. This represents a true 'like-for-like' comparison between the two schemes and Harrisons' cost estimates illustrate that the applicant's structural strengthening proposals and their elemental cost estimates do not represent the most economical or cost effective refurbishment solution available.

\* \$11.832 M plus 1.183 M

# HARRISONS

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Edgeware, Christchurch  
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Date 14 March 2017

File: Job 12936

Timaru Civic Trust  
c/o David McBride Architect

### **HYDRO GRAND HOTEL – TIMARU COST ANALYSIS**

#### **1 INTRODUCTION**

In response to your request for assistance on Hotel Costs for the existing Hydro Grand Hotel, our analysis of construction costs detailed below reports accordingly.

#### **2 SUMMARY**

In examining any development on the site there are 2 options – Strengthen and Upgrade the Existing Building OR Construct a New Building.

Both Options examined here would have identical room numbers and floor areas for comparative purposes, so the differences will be in the structural solutions and building carcass or envelope.

We have already issued a detailed Estimate for the Structural Seismic Upgrade using plans issued by Hadley and Robinson Structural Engineers. Their analysis proved economical at a total Construction Cost of \$980,090.00 for structural content alone.

We have identified costs from reliable industry data for a new equivalent structure alone would be \$2,350,000.00. The Hadley and Robinson scheme is (rounded) a \$1.35 Million saving.

Also by retaining the existing building but undertaking some exterior maintenance and improvements a further reduction in cost of \$0.9 Million occurs. Further small adjustments also exist.

Our conclusion is clear, namely on a like for like comparative basis a New Development would have a construction cost of circa \$11.25 Million, whereas the Existing Building strengthened and refurbished would have a Construction Cost of circa \$ 8.8 Million.

Directors:  
Stewart Harrison Reg. QS. MNZIQS, MNZIOB  
Grant Moore ANZIQS, MNZIOB

Consultant:  
Ian Harrison Life Member NZIQS, FNZIM  
Past President NZIQS

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The \$2.45 Million difference is due to reuse of the existing buildings attributes, and a seismic strengthening scheme produced by an experienced Engineer.

### 3 ANALYSIS OF DIFFERENCES

In any comparative analysis the differences become the focus, and in this case costs common to both such as internal fit out and services equalize out.

While the 2 proposals may differ in appearance both will still have 36 rooms and ground floor Hotel facilities for the purposes of this analysis.

We have used industry based published cost analysis for our study and the only points of difference are in the Structure and External Fabric which are groups of building elements which total 35% of the new structures cost.

The building interior to a common solution of 36 upper floor rooms would have for practical purposes identical costs, as there is no point of difference.

The Ground Floor fit out again would have the same, as while options are possible a comparative exercise must examine issues in a balanced manner to identify where differences have influence.

We have intentionally reverted to an industry based data base for our analysis to adhere to balanced principles, but we have one individual difference with the Seismic Upgrading design of Hadley and Robinson which gives a unique perspective of what can be a difficult solution. The seismic solutions are totally site specific Engineering designs, and we have priced this in detail in our Estimate submitted..

### 4 CONCLUSION

Our brief was to examine and report on how the specific seismic upgrading scheme of Hadley and Robinson affected overall costs when there were other development options for the site.

We have established the Hadley and Robinson scheme is both a practical and economic solution with no significant construction difficulties. The scheme retains all features of the façade, itself an item of significance.

While we have been commissioned by the Timaru Civic Trust we have retained total professional independence on all matters

Should you have any questions regarding the above please do not hesitate to contact me.

Yours faithfully,

Brian Le Fevre

**Senior Quantity Surveyor**

Email: [Brian@harrison-qs.co.nz](mailto:Brian@harrison-qs.co.nz)



## Full Estimate Summary

**Job Name :** 12936HYDRO-4STAR
**Job Description**
**Client's Name:** DAVID McBRIDE ARCHITECT

HYDRO GRAND HOTEL - TIMARU EXISTING  
STRENGTHENING & REFURB  
36 ROOMS + GF BARS & RETAIL  
CONCEPT ESTIMATE

Trade Description	Trade %	Cost/ m2	Qty	Rate	Labour Total	Material Total	Sub Total	Mark Up %	Trade Total
STRUCTURE SEISMIC UPGRADE Based on Hadley & Robinson plans S01 TO S06				58					
Foundation Pads & Ground Floor Diaphragm	1.29	51	981	58	56,901	48,530	105,431	7.50	113,339
Ground Floor Structural Steel Frame	3.34	132	1,960	58	113,680	159,894	273,574	7.50	294,093
First & Second Floor Diaphragms	4.01	158	3,121	58	181,017	147,530	328,547	7.50	353,189
Second Floor Ceiling Diaphragm	0.37	14	272	58	15,776	14,144	29,920	7.50	32,164
Roof Structure Upgrade	0.27	11	120	58	6,960	15,000	21,960	7.50	23,607
Preliminaries 8.5%	0.85	33				69,394	69,394	7.50	74,599
Structural Contingency 10%	1.01	40				89,099	89,099		89,099
Subtotal									<u>980,090.00</u>
STRIP OUT AND EXTERNAL ARCHITECTURAL									
Staged Removals & Internal Fitout Demolition	2.95	116				241,595	241,595	7.50	259,715
Allowance for External Walls and Windows Maintenance	4.20	166				344,150	344,150	7.50	369,962
Roof Re-roofing	2.02	80				165,580	165,580	7.50	177,999
Subtotal									<u>807,676.00</u>
INTERNAL ARCHITECTURAL AND SERVICES CONTENT - D McBride Concept for 1F and 2F Rooms - GF Limited Fitout									
Allowance for All Internal Finishes Elements - Stairs , Partitioning etc ,Finishes and Fittings	36.55	1,442				3,217,056	3,217,056		3,217,056
Allowance for All Services - Plumbing, Mechanical, Fire, Electrical, Lift and Drainage	30.94	1,221				2,723,040	2,723,040		2,723,040
Allowance for External Works and Sundries	1.34	53				118,243	118,243		118,243
Preliminaries 8.5% ( Excluding Structure above)	6.63	262				583,612	583,612		583,612
Contingency 5% ( Excluding Structure above)	4.23	167				372,482	372,482		372,482
NOT INCLUDED:-									
GST									
Professional & Consent Fees 14 %									
Siteworks Limited to within Boundaries									
Specialist Fit Out for Leased Ground Floor Facilities.									

## Full Estimate Summary

**Job Name :** 12936HYDRO-4STAR

**Job Description**

**Client's Name:** DAVID McBRIDE ARCHITECT

HYDRO GRAND HOTEL - TIMARU EXISTING  
STRENGTHENING & REFURB  
36 ROOMS + GF BARS & RETAIL  
CONCEPT ESTIMATE

Trade Description	Trade %	Cost/ m2	--- L a b o u r ---			Material Total	Sub Total	Mark Up %	Trade Total
			Qty	Rate	Total				
Concept Estimate dated 10th March 2017				58					
GFA: 2,231 m2.	100.00	3945	6,454	406	374,334	8,309,349	8,683,683		8,802,199

**Final Total \$ 8,802,199**

# Trade Breakup

Job Name : 12936HYDRO-4STAR

Client's Name : DAVID McBRIDE ARCHITECT

## Job Description

HYDRO GRAND HOTEL - TIMARU EXISTING  
STRENGTHENING & REFURB  
36 ROOMS + GF BARS & RETAIL  
CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
Trade : <b><u>STRUCTURE SEISMIC UPGRADE Based on Hadley &amp; Robinson plans S01 TO S06</u></b>								
<b><u>STRUCTURE SEISMIC UPGRADE Based on Hadley &amp; Robinson plans S01 TO S06</u></b> Total :								
Trade : <b><u>Foundation Pads &amp; Ground Floor Diaphragm</u></b>								
<b><u>Column Bases as S06</u></b>								
Remove Timber flooring and subfloor framing to access new column pad	45.00	m2	24.00		0.85	38.25	58.00	3,298.50
Small digger excavate for pads	25.00	m3	135.00					3,375.00
Column Pads 2.5 sq x 0.75	25.00	m3	704.50		13.75	343.75	58.00	37,550.00
Reinstate flooring on completion	45.00	m2	54.00		1.65	74.25	58.00	6,736.50
NOTE - Resteel ratio assessed at 100 kg / m3								
<b><u>Ground Floor Diaphragm</u></b>								
Allow to air nail T&G flooring at close fixing patten for diaphragm action	679.00	m2	25.00		0.55	373.45	58.00	38,635.10
Allowance for 0.9mm steel boundary connector to brick where not pre-floored. Include connections to brickwork	158.00	m	36.00		0.69	109.02	58.00	12,011.16
Allowance for 0.9mm steel boundary connector to btm plates where not pre-floored. Include connections to plates	83.00	m	16.50		0.51	42.33	58.00	3,824.64
<b><u>Foundation Pads &amp; Ground Floor Diaphragm</u></b> Total :								105,430.90
Trade : <b><u>Ground Floor Structural Steel Frame</u></b>								
<b><u>Steel: Ground Floor Frame as Sheets S04 and S06</u></b>								
Main columns 406 x 9.5 x 93.21 API Linepipe	2,051.00	kg	3.85		0.06	123.06	58.00	15,033.83
410 UB 54# beams	12,234.00	kg	3.50		0.06	734.04	58.00	85,393.32
<b><u>Connections as Sheet S06 - assumed no site welding to existing beams</u></b>								
Column baseplate detail including fixings	5.00	no	1,018.00		9.04	45.20	58.00	7,711.60
Column head fixing detail - 3 beam connections	2.00	no	1,872.50		13.81	27.62	58.00	5,346.96
Column head fixing detail - 4 beam connections	3.00	no	2,280.00		17.08	51.24	58.00	9,811.92
410 UB end connection to brickwork	29.00	no	677.50		5.56	161.24	58.00	28,999.42
410 UB tee connection	17.00	no	508.00		5.40	91.80	58.00	13,960.40
410 UB tee connection - new to existing	7.00	no	908.00		11.40	79.80	58.00	10,984.40

## Trade Breakup

Job Name : 12936HYDRO-4STARClient's Name : DAVID McBRIDE ARCHITECT**Job Description**

HYDRO GRAND HOTEL - TIMARU EXISTING  
STRENGTHENING & REFURB  
36 ROOMS + GF BARS & RETAIL  
CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
Trade : <u>Ground Floor Structural Steel Frame</u> <span style="float: right;">(Continued)</span>								
410 UB cross connection - new to existing	37.00	no	1,256.00		15.60	577.20	58.00	79,949.60
410 UB beam connection to existing column	2.00	no	1,196.00		14.40	28.80	58.00	4,062.40
<b><u>General Attendance and Access</u></b>								
Provisional Sum for access and attendance issues	1.00	sum	10,000.00		40.00	40.00		12,320.00
<b><u>Ground Floor Structural Steel Frame</u> Total :</b>								<b>273,573.85</b>
Trade : <u>First &amp; Second Floor Diaphragms</u>								
<b><u>First and Second Floor Diaphragms</u></b>								
Allow to air nail T&G flooring at close fixing patten for diaphragm action	1,357.00	m2	25.00		0.55	746.35	58.00	77,213.30
Allowance for 0.9mm steel boundary connector to brick where not pre-floored. Include connections to brickwork	771.00	m	36.00		0.69	531.99	58.00	58,611.42
Allowance for 0.9mm steel boundary connector to btm plates where not pre-floored. Include connections to plates	698.00	m	16.50		0.51	355.98	58.00	32,163.84
Subtotal								<u>167,988.56</u>
<b><u>Facade Boundary Connections as S1.06</u></b>								
<b><u>Parallel Joist Connections</u></b>								
Allow to remove existing T & G flooring for access 800mm wide ( cut across running direction for access, and refix on completion including 100 x 50 blocking close nailed to existing joist for connection.	165.00	m	20.10		1.01	166.65	58.00	12,982.20
250 x 35.5# PFC in say 2 to 3m lengths drilled for two M16 coach screws at 450 crs	5,858.00	kg	3.25		0.08	468.64	58.00	46,219.62
M16 coach screws to existing joists	726.00	no	2.60		0.12	87.12	58.00	6,940.56
200 x 150 x 18# UA 120 long drilled for 3 M20 bolts	363.00	no	20.30		0.05	18.15	58.00	8,421.60
M20 x 80 bolts to existing joist	726.00	no	4.20		0.18	130.68	58.00	10,628.64
M20 x 550 bolt with 2 nuts drilled and grouted 250mm into conc beam	363.00	no	48.60		0.40	145.20	58.00	26,063.40
250 x 50 blocking pieces between joists including 4 Pryda connectors to existing joists	363.00	no	8.40		0.48	174.24	58.00	13,155.12
M12 epcon anchors through 50mm joist, set 150 in existing brick wall	363.00	no	17.00		0.35	127.05	58.00	13,539.90
Subtotal								<u>137,951.04</u>
<b><u>Perpendicular Joist Connections</u></b>								

## Trade Breakup

**Job Name :** 12936HYDRO-4STAR

**Job Description**
**Client's Name :** DAVID McBRIDE ARCHITECT

 HYDRO GRAND HOTEL - TIMARU EXISTING  
 STRENGTHENING & REFURB  
 36 ROOMS + GF BARS & RETAIL  
 CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
Trade : <u>First &amp; Second Floor Diaphragms</u> <span style="float: right;">(Continued)</span>								
Allow to remove existing T & G flooring for access 800mm wide (parallel running direction for access, and refix on completion including 100 x 50 blocking as required.	66.00	m	24.25		0.78	51.48	58.00	4,586.34
200 x 150 x 18# UA 120 long drilled for 3 M20 bolts	145.00	no	20.30		0.05	7.25	58.00	3,364.00
M20 x 80 bolts to existing joist	290.00	no	4.20		0.18	52.20	58.00	4,245.60
M20 x 550 bolt with 2 nuts drilled and grouted 250mm into conc beam	145.00	no	48.60		0.40	58.00	58.00	10,411.00
Subtotal								<u>22,606.94</u>
<b>First &amp; Second Floor Diaphragms Total :</b>								<b>328,546.54</b>
Trade : <u>Second Floor Ceiling Diaphragm</u>								
<b>Second Floor Ceiling Diaphragm</b>								
12mm Ply ceiling diaphragm	680.00	m2	20.80		0.40	272.00	58.00	29,920.00
<b>Second Floor Ceiling Diaphragm Total :</b>								<b>29,920.00</b>
Trade : <u>Roof Structure Upgrade</u>								
<b>Roof Structure Strengthening</b>								
Provisional Sum for framing connections as required	1.00	sum	15,000.00		120.00	120.00		21,960.00
<b>Roof Structure Upgrade Total :</b>								<b>21,960.00</b>
Trade : <u>Preliminaries 8.5%</u>								
Preliminary and General Costs 8.5%	1.00	sum	69,394.00					69,394.00
<b>Preliminaries 8.5% Total :</b>								<b>69,394.00</b>
Trade : <u>Structural Contingency 10%</u>								
General Contingency 10% for design confirmation issues, and market pricing issues	1.00	sum	89,099.00					89,099.00
<b>Structural Contingency 10% Total :</b>								<b>89,099.00</b>
Trade : <u>Subtotal</u>								

## Trade Breakup

Job Name : 12936HYDRO-4STAR

Job Description

Client's Name : DAVID McBRIDE ARCHITECT

HYDRO GRAND HOTEL - TIMARU EXISTING  
STRENGTHENING & REFURB  
36 ROOMS + GF BARS & RETAIL  
CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
<b>Subtotal Total :</b>								
Trade :								
<b>Total :</b>								
Trade : <b><u>STRIP OUT AND EXTERNAL ARCHITECTURAL</u></b>								
<b><u>STRIP OUT AND EXTERNAL ARCHITECTURAL</u> Total :</b>								
Trade : <b><u>Staged Removals &amp; Internal Fitout Demolition</u></b>								
<b><u>Staged Removals/ Demolition</u></b>								
Allowance for GF strip out	743.00	m2	85.00					63,155.00
Allowance for 1F and 2F strip out	1,487.00	m2	120.00					178,440.00
<b><u>Staged Removals &amp; Internal Fitout Demolition</u> Total :</b>								
<b>241,595.00</b>								
Trade : <b><u>Allowance for External Walls and Windows Maintenance</u></b>								
<b><u>External Walls Maintenance Allowances</u></b>								
Plastered external walls and timber windows general maintenance / repainting.	1,038.00	m2	175.00					181,650.00
Extra Value for specific timber windows maintenance / part replacement	350.00	m2	250.00					87,500.00
Allowance for removal of fire escapes and GF entry profile	1.00	sum	75,000.00					75,000.00
<b><u>Allowance for External Walls and Windows Maintenance</u> Total :</b>								
<b>344,150.00</b>								
Trade : <b><u>Roof Re-roofing</u></b>								
<b><u>Architectural Content</u></b>								
Allowance for re-roofing main area	897.00	m2	140.00					125,580.00
Allowance for Dome maintenance / repairs	1.00	sum	40,000.00					40,000.00
<b><u>Roof Re-roofing</u> Total :</b>								
<b>165,580.00</b>								
Trade : <b><u>Subtotal</u></b>								

## Trade Breakup

Job Name : 12936HYDRO-4STAR  
 Client's Name : DAVID McBRIDE ARCHITECT

Job Description

HYDRO GRAND HOTEL - TIMARU EXISTING  
 STRENGTHENING & REFURB  
 36 ROOMS + GF BARS & RETAIL  
 CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
<b>Subtotal Total :</b>								
<i>Trade :</i>								
<b>Total :</b>								
<i>Trade : <u>INTERNAL ARCHITECTURAL AND SERVICES CONTENT - D McBride Concept for 1F and 2F R</u></i>								
<b>INTERNAL ARCHITECTURAL AND SERVICES CONTENT - D McBride Concept for 1F and 2F Rooms - GF Limited Fitout Total :</b>								
<i>Trade : <u>Allowance for All Internal Finishes Elements - Stairs , Partitioning etc ,Finishes and Fittings</u></i>								
<b><u>Accommodation Floors Internal Finishing</u></b>								
Allowance for Elements as follows - Stairs / Internal Walls and Partitions / Internal Doors / Floor Finishes / Wall Finishes / Ceiling Finishes and Fixtures and Fittings	1,488.00	m2	1,562.00					2,324,256.00
<b><u>Ground Floor Internal Finishing</u></b>								
Allowance for above Elements noting function has reduced Owner content. Content envisaged is Restuarant and Bar, plus some limited Tourist Retail	744.00	m2	1,200.00					892,800.00
<b><u>Allowance for All Internal Finishes Elements - Stairs , Partitioning etc ,Finishes and Fittings</u> Total :</b>								
<b>3,217,056.00</b>								
<i>Trade : <u>Allowance for All Services - Plumbing, Mechanical, Fire, Electrical, Lift and Drainage</u></i>								
<b><u>Accommodation Floors Services</u></b>								
Allowance for Elements as follows - Plumbing, Mechanical, Fire, Electrical, Lift and Drainage	1,488.00	m2	1,355.00					2,016,240.00
<b><u>Ground Floor Internal Finishing</u></b>								
Allowance for above Elements noting function has reduced Owner content. Content envisaged is Restuarant and Bar, plus some limited Tourist Retail	744.00	m2	950.00					706,800.00
<b><u>Allowance for All Services - Plumbing, Mechanical, Fire, Electrical, Lift and Drainage</u> Total :</b>								
<b>2,723,040.00</b>								
<i>Trade : <u>Allowance for External Works and Sundries</u></i>								
<b><u>External Works and Sundries</u></b>								

## Trade Breakup

Job Name : 12936HYDRO-4STAR  
 Client's Name : DAVID McBRIDE ARCHITECT

Job Description

HYDRO GRAND HOTEL - TIMARU EXISTING  
 STRENGTHENING & REFURB  
 36 ROOMS + GF BARS & RETAIL  
 CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
Trade : <u>Allowance for External Works and Sundries</u> (Continued)								
Allowance for all External Works and Sundries	2,231.00	m2	53.00					118,243.00
<u>Allowance for External Works and Sundries</u> Total :								118,243.00
Trade : <u>Preliminaries 8.5% ( Excluding Structure above)</u>								
Preliminary and General Costs - 8.5%	1.00	sum	583,611.28					583,611.28
<u>Preliminaries 8.5% ( Excluding Structure above)</u> Total :								583,611.28
Trade : <u>Contingency 5% ( Excluding Structure above)</u>								
General Contingency 5%	1.00	sum	372,481.30					372,481.30
<u>Contingency 5% ( Excluding Structure above)</u> Total :								372,481.30
Trade : <u>0</u>								
0	1.00							
Total :								
Trade : <u>NOT INCLUDED:-</u>								
	1.00							
<u>NOT INCLUDED:-</u> Total :								
Trade : <u>GST</u>								
	1.00							
<u>GST</u> Total :								
Trade : <u>Professional &amp; Consent Fees 14 %</u>								
	1.00							
<u>Professional &amp; Consent Fees 14 %</u> Total :								
Trade : <u>Siteworks Limited to within Boundaries</u>								
	1.00							
<u>Siteworks Limited to within Boundaries</u> Total :								



## Trade Breakup

Job Name : 12936HYDRO-4STAR

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HYDRO GRAND HOTEL - TIMARU EXISTING  
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36 ROOMS + GF BARS & RETAIL  
CONCEPT ESTIMATE

Item Description	Quantity	Unit	Material Rate	Mark Up %	Labour Factor	Labour Qty	Labour Rate	Amount
Trade : <u>Specialist Fit Out for Leased Ground Floor Facilities.</u>								
	1.00							
<u>Specialist Fit Out for Leased Ground Floor Facilities.</u> Total :								
Trade :								
	1.00							
Total :								
Trade : <u>Concept Estimate dated 10th March 2017</u>								
<u>Concept Estimate dated 10th March 2017</u> Total :								