

# FFINIX

Issue 2 November 2007

**INSIDE:  
SHARING THE  
VISION FOR AUCKLAND  
AIRPORT'S MINI CITY**



**THE  
BUILDING  
INTELLIGENCE  
GROUP**

IT'S AN EXCITING TIME TO BE WORKING IN PROPERTY DEVELOPMENT – ESPECIALLY AT AUCKLAND AIRPORT. AS ONE OF NEW ZEALAND'S LARGEST BUSINESSES, OWNING AND OPERATING A MAJOR INFRASTRUCTURAL ASSET THAT BENEFITS THE SURROUNDING MANUKAU CITY COMMUNITY, THE AUCKLAND REGION AND THE ENTIRE COUNTRY, AUCKLAND AIRPORT IS FAST BECOMING A CITY IN ITS OWN RIGHT.

At the centre of that excitement is Property General Manager Chris Gudgeon and Engineering Manager Commercial Developments Adam Tyrie. Chris joined the company in June 2006, taking on responsibility for a growing investment portfolio that now comprises over 50 commercial properties worth more than \$250 million, as well as the company's broader airport property interests. His mandate is to build on Auckland Airport's well established and successful strategy of developing properties for "top shelf" tenants and retaining those properties within the investment property portfolio.

Within that portfolio is the commercially driven work that is Adam's main responsibility, and where interest is currently at the greatest level he has experienced during his three years at the Airport – interest that is reflected in the recently started rollout of a further 10 hectares of commercial development land at the north end.

"This is an extremely dynamic environment, with the constant challenge of delivering buildings that meet the needs of our tenants and ensuring that all new commercial ventures continue to be very competitive," Adam says.

Most of those tenants are airport related, such as airlines, or with a link to the airport, such as logistics companies. But Adam is also responsible for acoustic treatment of schools and houses that are on the flight path. Combined with his commercially driven responsibilities, this sees him dealing with anything from the development of a 10,000m<sup>2</sup> warehouse through to a little house in Māngere, and everything in between.

The continuing development of its commercial, office and retail portfolio forms an important part of the expansion of Auckland Airport's non-aeronautical businesses, says Chris.

"Our non-aeronautical businesses – property, retail and car parking – deliver more than half of our revenue. They also form an integral part of our Masterplan vision to ensure the most effective and efficient development of the Airport's land holdings and infrastructure over time in a way that best facilitates the need to provide world class airport infrastructure."

Significant among the range of property development activities in the last two years have been expansion to the Fliway Logistics warehouse; the development of the first two office/warehouses in the new north airport commercial zone – for New Zealand Van Lines and Expeditors International; extensions for Fedex and Air NZ cargo operations; and the development of an airport childcare centre for Lollipops Educare.

"Auckland Airport offers expansion land to all tenants coming on site, and historically has found that a lot of tenants do expand into this land as their business has grown," Adam says.

It was during expansion of the Fliway Logistics warehouse that an opportunity opened for *The Building Intelligence Group* to develop a relationship with Auckland Airport and become involved in its vision for property development.

# FLIGHT TAKES AIRPORT TO THE NEXT LEVEL



## THE VISION

**Auckland Airport is a key infrastructure asset, generating and facilitating around \$19 billion a year of value added to the New Zealand economy. It is the main gateway for international visitors to New Zealand (around 70 per cent of total international travellers arriving and departing), and the primary outbound gateway for New Zealanders travelling overseas. Catering to more than 12 million passengers annually, the Airport is served by 29 international airlines, nine domestic and commuter airlines and seven dedicated cargo airlines. More than 10,000 people work for more than 300 businesses at the Airport.**

Not only is it this country's largest and busiest airport, it's the second largest airport in Australasia (after Sydney) in terms of international passenger numbers. Meanwhile its 24 hour nature provides significant flexibility and advantage to airlines and passengers compared to other airports, including Sydney, which do not operate later at night. Its location and operational flexibility have also enabled Auckland Airport to become a major hub within the South Pacific for air travel, air freight and other related commercial operations, and New Zealand's second largest cargo port (sea and air) by value.

In addition, Auckland Airport has significant landholdings around the Airport that are continually being developed to create an 'Airport City' and which include the Airport Commercial Park, Business Park and Shopping Centre. Ongoing development has enabled a wide range of Airport businesses to benefit from their location and clustering, leading to the Airport and adjacent business land (Airport Oaks) becoming an important employment node in its own right. The range of goods, services and facilities continues to grow to meet the needs of both existing Airport tenants and new businesses. The Airport also has excellent infrastructure to support businesses growth and future developments.

With strong growth forecast in the New Zealand tourism industry, Auckland Airport is projected to have 24 million international and domestic passengers annually passing through the Airport by 2025, an average annual increase of 3.9 per cent from 2004. Auckland Airport has recognised the importance of upgrade and development in order to provide a strong platform for growth. In 2006 it released its development strategy blueprint for the next 20 years, *Auckland Airport Masterplan: 2025 and beyond*. The Masterplan outlines several key initiatives for delivering physical capacity enhancement and developments of Auckland Airport's aeronautical, retail, car parking and property businesses. ■

Adam believes that in order to successfully realise that vision, it is critical to develop relationships with leading industry providers who understand the Airport's needs, and who can work to bring the vision of being a world-leading airport enterprise to life through a collaborative process. *The Building Intelligence Group* were therefore delighted to be able to demonstrate their ability as vision formers through their appointment as project managers on the Fliway Logistics development. Since then the relationship has gone from strength to strength.

For Adam, *The Building Intelligence Group* on the Fliway project proved their ability to deliver on expectations, on budget and on time.

Following the success of this project, completed in October 2006, *The Building Intelligence Group* went on to project manage an extension to the existing Barbers Logistics warehouse (which finished on target last month).

*The Building Intelligence Group* is now looking forward to managing further projects on behalf of Auckland Airport, and continuing to work with Auckland Airport as it implements its growth strategy for the future.

For Chris and Adam, partnerships with the likes of *The Building Intelligence Group* are critical to take that strategy forward.

"We're very much seen as a blue chip company, and are in a good position with consultants and contractors wanting to work with us despite a tight market in that respect. But we don't want to partner with just anyone. We have a social and a business responsibility, and we want to align our supply chain with that same culture," Adam says. That culture is one of responding proactively to challenges, being innovative and communicating effectively. It's one of being responsible and ethical, and focusing equally on people, safety and minimal environmental impact on the local community and physical environs, as well as returns for shareholders. ■



## TAKING A LOGISTICAL APPROACH

For logistics companies, delivering the right products, in the right quantity, to the right place, at the right time, at the right temperature and at the right cost is a key differential. Helping them achieve that differential is one of the goals of Auckland Airport's commercially-driven property portfolio.

For Auckland Airport, this has meant improving and increasing warehouse space quickly and cost-effectively to meet the growing demand for warehouse spaces that allow logistics companies to cater to different clientele and products. One such company is Fliway Logistics, one of the biggest logistical courier companies in New Zealand. In 2005, Fliway Logistics approached the Airport seeking an additional 4,000m<sup>2</sup> of warehouse space. A year into the project, challenges to successful completion of the project had emerged. In an effort to keep the project on track and running smoothly, Auckland Airport appointed *The Building Intelligence Group* as project managers. It was to be the start of a successful working relationship born out of a shared objective of doing the job right.

For Auckland Airport Engineering Manager Commercial Developments Adam Tyrrie, it was clear *The Building Intelligence Group* had not only the necessary skills and expertise, but also an understanding of the Airport's requirements that often isn't explicitly written into a contract.

"It was also quickly apparent that I could trust *The Building Intelligence Group*. From the first site meeting involving them I realised this investment was in the hands of someone that could deliver; that was there from the start."

According to *The Building Intelligence Group* Auckland Senior Project Manager Kevin Carroll, the Fliway job was a challenging and satisfying project.

Substantial emphasis was placed on enabling Fliway to maintain full operation as construction work proceeded and to ensure high levels of security were maintained throughout, Kevin explains. This involved specifically programming the demolition of existing structures around the "quiet" periods in the business as well as erecting substantial temporary structures to ensure the area was kept secure.

"Construction to existing premises always brings with it a need for careful consideration of the tolerances by which the original premises were built, and this project was no different. For starters, we had to ensure that floor levels were consistent throughout. The enthusiastic and competent sub contractors who carried out the work accurately and professionally also contributed to the success of the project," Kevin says.

Structural steel construction had to be married up to existing portal frames and the structural portal frame had to fit seamlessly into the existing structure. This was achieved with close interaction with the contractor by identifying and engaging full risk analysis, and resulted in a very high standard of workmanship throughout the new extension.

It was, Kevin believes, an ability to deliver on expectations, on budget and on time, combined with a willingness to take ownership of the job, and obvious passion and commitment to achieving the client's vision that consolidated the relationship with Auckland Airport. Adam backs this call, highlighting the importance of shared passion.

"Shared passion is, we believe, critical to achieve the best results. We also benefit from the intensity with which *The Building Intelligence Group* runs their jobs, and a professional approach to resolving issues before they become a risk to the project." ■

## BY 2025, AUCKLAND AIRPORT'S INFRASTRUCTURE IS EXPECTED TO INCLUDE:

- dual jet capable runways with enhanced apron and terminal facilities
- major extensions and upgrading to the international passenger terminal
- a new domestic terminal integrated and connected to the international terminal
- Hotels on Airport, including a budget traveller hotel and at least one high quality hotel within the terminal precinct
- a transport hub within the terminal precinct together with multi-level carparking and better transport links with Auckland and Manukau City
- expanded retail shopping and entertainment in both the international and domestic terminals
- expansion of the commercial, office and retail property portfolio.



From left: Adam Tyrrie and Kevin Carroll.



## WHAT LIES BENEATH

AN ESCALATION IN THE IMPORTANCE OF THE ARCHAEOLOGICAL VALUE OF SITES MEANT A SMART STRATEGY TO MANAGE REGULATORY OBLIGATIONS WAS IMPERATIVE TO KEEP WORK ON THE \$65 MILLION NEW SUPREME COURT IN WELLINGTON ON TRACK.

Construction of a new building and restoration of the 1881 Old High Court Building will see the creation by late 2009 of a facility befitting the highest court in the land. But the project could easily have been derailed had it not been for some clever thinking before excavation even got underway.

According to *The Building Intelligence Group's* Supreme Court Project Director, Ian Macaskill, a strong relationship with the Historic Places Trust has been critical in ensuring an effective front-end strategy for dealing with archaeological issues.

"We've also built good relationships with conservation architects and other key people, so are able to tap into that expertise as part of developing a strategy and approach that works for everyone," Ian says.

Part of *The Building Intelligence Group's* strategy for managing risks was to research the historical use of the site to determine its likely archaeological significance well ahead of actual excavation.

Among the possibilities for discovery were remains of a wharf and old building foundations, for which survey and research protocols were developed. This enabled the contractors to get underway with bulk excavation, while at the same time allowing archaeologists access and time to investigate the site.

Ministry of Justice's General Manager Higher Courts, Andrew Hampton, has been involved across the process, and is pleased the project has been managed to ensure archaeological issues haven't affected the programme.

"For the Ministry, it has been important to get a good conservation result that reflects our commitment to the heritage and archaeological value of the site. The process followed has ensured this key initial phase of the project is on time and on budget, and that the project archaeologists have been able to complete a detailed survey of the site," Andrew says.

Interesting artefacts unearthed during the enabling works phase, all from the 1800s, included torpedo bottles, a ceramic toothpaste jar, clay smoke pipes, off-cuts of leather from a shoe manufacturer, and plates from the Wellington Club. It is hoped key material will be displayed in the completed building.

The main contractor for this project, Mainzeal, started on site on 1 October. A foundation stone is due to be laid in the first quarter of 2008 and the building is to be completed in late 2009. ■



## FISHERMAN'S WHARF GOES ORANGE

AFTER STANDING EMPTY AND UNUSED FOR MORE THAN TWO YEARS, THE LANDMARK FISHERMAN'S WHARF BUILDING ON AUCKLAND'S NORTH SHORE IS SET TO GAIN A WHOLE NEW LEASE OF LIFE. THE DERELICT ICON IS UNDERGOING A TRANSFORMATION INTO A TOP CLASS FUNCTION VENUE WITH THE ABILITY TO CATER FOR "FREQUENT DEPARTURES FROM ORDINARY THINKING" – THE MANTRA OF STU ROBERTSON, DIRECTOR OF TENANT ORANGE GROUP.

Built in 1971, the building operated as Fisherman's Wharf restaurant until mid 1998 when it changed ownership, running for two years as Doyles Seafood Restaurant.

From October 2002 until January 2003, the Phoenix Club used the premises, followed by Suzanne Paul's Rawaka Maori culture tourism venture, which came to a high profile end in July 2004.

It was at that point that developer Northcote Point Ltd approached Stu with the proposal that the building could operate as a function venue. For Orange Group, the timing was perfect – a tailor-made venue in a prime location that would help them meet the demand of managing events throughout the year.

Whether the event be a spectacular gala dinner that enthral guests with entertainment from beginning to end, or a product launch delivered with outstanding professionalism and innovation, nothing is too hard for Orange, Stu says. So in transforming this building into a venue that supports that approach, Orange's involvement in the design has been critical.

"Every inch of the building has been thought out, from how the lighting works and is controlled, through to ensuring joinery that is big enough to crane a car in if that's the product we may happen to be launching."

*The Building Intelligence Group* has provided full project management services, working to a demanding programme that has involved taking the building back to its base structure and rebuilding 75 per cent in just seven months, including the tenant fitout. With numerous challenges along the way, including large amounts of unforeseen remedial work, Project Manager Joe Holden hails the job as one of the most satisfying he has ever been involved in. ■

## THOUGHTS ON...

# BEING SMART AT THE START:

GARETH SKIRROW

The Building Act 2004 is often cited as a hindrance to completing projects on time and within budget. There is no doubt that significant changes to the way the construction industry in New Zealand is regulated have created challenges, but they've also forced many to work harder at being smarter, which is never a bad thing.

For those of us that were already going about things smarter, the Act has confirmed the importance of something we've always had a great belief in – an effective front-end strategy. Furthermore, it presents an opportunity to fine-tune this approach, to tailor front-end strategies that take into account the demands of the Act, and to work under the new legislation with results for the client that are better than ever.

Those results are, ultimately, a project that is completed on time and on budget, but also delivers the owner the confidence in design and construction integrity and occupant safety that the Building Act changes sought to address.

For new building or restoration and refurbishment projects with multiple facets, achieving those results can be particularly challenging. This is especially so under the new statute, which prevents the public occupation of a building that does not have a Code Compliance Certificate.

For any project, the construction stage is relatively easy to calculate in terms of programming, but where time is often eroded is at the front end. A lack of understanding of documentation and design warranty requirements can see consent process delayed. High level master planning needs to set clear expectations on deliverables to meet these demands and avoid the financial implications which are often associated with project delays.

Pressure is always on to get to site as quickly as possible, but the key is to keep sight of the end of the project as well as thinking about how to move to the next stage. The new legislation is extremely conducive to this. It's about things like having a good consents strategy, flexibility to cope with changes in the scope of a project and aligning the code compliance close-out with how the building is to be occupied. Ultimately, it's about having good project management processes and clever planning before you commit to anything. This is something *The Building Intelligence Group* prides itself on – robust processes based on our experience and knowledge, driven by a proactive approach that offers certainty for the client.

Essential to this approach is a good relationship with key local authority staff. It is critical to have regular one-on-one interface with key council staff so that when issues arise there is a conduit that allows for quick resolution. We would go so far as to say that the council must be an integral part of the delivery team. We are firm believers in the value of dialogue with the council right from the start, and of a few hours and additional documentation at the front end, all as part of an end-to-end service that not only delivers on the client's vision, but saves them time and money.

Gareth Skirrow –  
General Manager, Auckland,  
*The Building Intelligence Group*

# INTELLIGENT Life

## New intelligence just in

Recently joining *The Building Intelligence Group's* professional consultancy team are Assistant Project Managers Fran Bates and Phill Stanley, and Project Managers Mark Kirk-Burnnand and Blair Wolfgram. Fran's skills provide a perfect complement to the range of disciplines already covered off within the team, with four years experience as an engineering geologist in the geotechnical engineering industry both in New Zealand and Australia. Phill is combining work this year with the completion of his Bachelor of Building Science. Mark has a degree in Building Science and is working towards a post graduate Diploma in Building Management, and previously worked for Fletcher Construction for four years as a project management trainee. He brings an innate knowledge to his new role of the construction process and of financial and management requirements, and a practical knowledge of Green Star building requirements and implementation, and related value-engineering expectations. Blair has worked in both the US and New Zealand, and complements our existing team for the delivery of multi-tenant and retail fitouts. Blair returned to New Zealand in 2005 after spending three years as a project manager in the fast paced American retail construction market, where he specialised in national store rollouts, open store remodels and new store builds across all 50 states. He most recently spent the last 12 months involved in the design phase of the Plaza Shopping Centre in Palmerston North, where construction is expected to begin in the first quarter of 2008. Prior to that Blair spent two years as one of the project managers responsible for delivering the successful Sylvia Park Shopping Centre in Auckland.



From left: Blair Wolfgram and Fran Bates.



From left: Phill Stanley and Mark Kirk-Burnnand.

## The Magnificent Eight

Sunday 22 July dawned as one of Wellington's worst weatherwise, but a bitter southerly and sleet didn't deter the 19 teams who faithfully turned up to compete in Mainzeal's Multisport Challenge, including *The Building Intelligence Group's* tough team of eight. The sun did come out, but choppy waters meant Project Manager Jonathan Laird found himself running up the road with a paddle in a kayak race with a difference – although no such luck for Senior Project Manager Tim Cope, with the nippy sea swim going ahead. The team finished a respectable 11th place – and first among project managers (a result assisted by being the only project management team).



From left: Martin Hubbard, Jonathan Laird, Gina Butturini, Andrew Cooper, Karyn Ammundsen, Phill Stanley, Tim Cope and David Mann.

## Boy Racers part II

After a successful inaugural Challenge Cup in February, seven teams once again lined up at the Auckland Raceway on 12 October for the opportunity to win this prestigious trophy. The competition was fast and furious, with the G team of Reece Zondag (Les Mills), Andrew Evans (ING) and Blair Wolfgram (*The Building Intelligence Group*) emerging as victors.



From left: Reece Zondag, Andrew Evans and Blair Wolfgram.

# FOR THE LOVE OF DESIGN

## Award winners

- Les Mills Hutt City
- New Zealand Memorial
- The Watermark exhibition hall
- *The Building Intelligence Group* company profile
- The Quadrant Auckland

We love design and have immense respect for the design teams we work with. We were therefore delighted that Les Mills Hutt City, the New Zealand Memorial and the Watermark exhibition hall were winners at the recent BeST Design Awards.

On any project we work closely with the designers. In the case of Les Mills this was Stephenson and Turner, whom we congratulate on the bold solutions that saw this project win Gold in the BeST Spatial/Offices and Workplace Environments category.

The New Zealand Memorial was both Gold winner in the Spatial/Public and Institutional Spaces category and winner of the Spatial Stringer Award. As the New Zealand-based project manager for this Ministry for Culture and Heritage project, we congratulate Athfield Architects and Dibble Art Company for their joint design of this powerful and provocative memorial.

Congratulations also to Land Equity Group and the teams at Studio Pacific Architecture and designworks on the Watermark's Bronze in the Spatial/Exhibition/Installation/Temporary Structures category.

We were also pleased that our very own company profile, designed in collaboration with designworks, received a Bronze.

Meanwhile, The Quadrant Hotel in Auckland, also project managed by *The Building Intelligence Group*, was this year's winner of the Fisher and Paykel Multi-Unit Residential Property Award of Excellence at the Property Council of New Zealand Rider Levett Bucknall Property Awards.

For more information on these award-winning projects, visit [www.thebuildingintelligencegroup.co.nz](http://www.thebuildingintelligencegroup.co.nz)

## LIST OF SERVICES

*The Building Intelligence Group* provides project management services for everything from multimillion dollar commercial and residential developments to the smallest one-off fitout. Our services include:

- Project viability/feasibility studies
- Project planning
- Project design management and delivery
- Accommodation sourcing and delivery
- Value management
- Risk management
- Critical path programming and resourcing
- Cost control

## Other specialist services

- Tenancy coordination
- Project evaluation and peer reviews
- Maintenance planning and building audits
- Due diligence and building audits
- Resource consent management

## TELL US WHAT YOU THINK

If you want to share an opinion, suggest a topic to be covered or want to know more about any of the stories in this issue of THINK, contact us here: [k.ammundsen@tbig.co.nz](mailto:k.ammundsen@tbig.co.nz)

Wellington  
Level 4  
93 Boulcott Street  
PO Box 830  
Wellington  
New Zealand  
Tel 04 499 0881  
Fax 04 499 0989

Auckland  
119 Wellesley Street West  
PO Box 6588  
Wellesley Street  
Auckland  
New Zealand  
Tel 09 300 9980  
Fax 09 379 5447

[www.thebuildingintelligencegroup.co.nz](http://www.thebuildingintelligencegroup.co.nz)

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