



Gold Coast highrise cancer epidemic sparks concerns



Above - Remedial work being carried out on a Surfers Paradise highrise for concrete cancer.

Source Gold Coast Bulletin - June 14, 2015

CONTRACTORS are being told to paint over badly eroded concrete in our oldest highrises because body corporates don't have enough money to fix it.

Comment by Purchasers Strata Inspections Pty Ltd

Buying into a highrise near the coast? Most buildings will have concrete cancer even if they are a relatively new building.

Concrete cancer is caused by moisture coming into contact with the steel re-enforcement encased in the concrete. This moisture causes the steel to rust. Rusting steel expands and fractures the concrete allowing more moisture to enter. Ultimately large sections of concrete fall away from the building exposing the steel. Concrete cancer will never go away but it can be treated and managed and if repairs are done properly the buildings structural integrity can be maintained.

Many Body Corporates or Owners Corporations put off repairs due to lack of funds. If nothing is done the problem gets much worse and the cost to have small sections of the building treated escalates as small sections become large fixes very quickly. If there is no action to correct concrete cancer a buildings structural integrity will ultimately be compromised and the building will need to be demolished before it simply falls down.

The downside to buying into a building which has concrete cancer

The process undertaken to repair concrete cancer is noisy and as the cancer can be anywhere in the building it often requires the repairer to work at height. This means it is expensive and time consuming. In addition there is a great deal of noise that can't be shut out. The repair process certainly detracts from the advantages in living in residential highrise.



But there is another problem. Even a small chunk of concrete falling from a building which comes into contact with a person on the street below is likely to injure or even kill. This is covered by liability insurance for strata plans however if the problem was known and it could be proven that the Body Corporate did nothing about the problem, an insurer may decline a claim leaving owners to fund legal action and a settlement cost that has the potential to run into millions. Every owner in the building would end up with a share of this cost without exception.

How can a PSI report help?

A PSI report has substantial information including an in depth building defects section and a history section. These sections will state how much needs to be spent or how much has been spent on correcting defects. If the building has a long history of concrete cancer repairs then in all likelihood these works will continue into the future and each treatment is very likely to cost more than the last.

A PSI report will detail quotes for maintenance or corrective work and PSI will also alert you to special levies or potential special levies which maybe raised to fix defects. PSI will also outline any intention for a strata plan to take a loan to fix or maintain the building. Loan repayments translate to increased levies.

With a PSI report you are fully informed you can make a decision to buy or to run

A Gold Coast Bulletin investigation

An investigation into the city's (Gold Coast) decaying towers has also found:

- People are buying units unaware of the building's concrete cancer problem, only to be hit with massive repair bills.
- An entire awning fell 10-storeys from a Main Beach building and slabs of rotten concrete are falling from the sides of dilapidated buildings.
- Contractors are getting "two or three calls" a week as dozens of towers undergo work and "it's getting worse".
- Councillors and building professionals have called for an industry regulator to highlight the problem and "stop someone from being killed".

ANP Painting Contractors Director John Poole, who operates a team of abseiling concrete cancer repairmen, says he has been ordered to ignore evidence of structural damage several times.

"We just painted a building in Main Beach and were doing the concrete repairs when we came across a lot more spoil," he said.

"A quarter of the way through they stopped us doing it because (the job) would have blown out by about \$150,000.

"I do not think the repairs will ever be done but some of the concrete is ready to fall out on people.

"The cracks are so big that my guys were scared to go up."

Mr Poole, frustrated with a lack of industry standards, has reported buildings to the Gold Coast City Council if concrete decay is not addressed.

In 2013, the 20-storey Iluka Surfers Paradise high-rise was demolished after concrete cancer destroyed the structure's integrity.



His fears were echoed by East Coast Building Director Rick Wild, who said the problem had escalated in recent years.

“On average we get two or three calls a week to repair concrete cancer at different buildings,” he said.

“Every building would have some form of concrete cancer.

“I’ve seen awnings fall off and every (site) you go to you see chunks of concrete of the ground.

“They need to tell people the extent of the damage before they buy into a building.

“How would you be, buying a unit and finding out there is \$1 million of work being done.”

A man who purchased a unit in a (Focus Apartments) beachfront Surfers Paradise high-rise in 2005 for \$360,000 said concrete cancer repairs have sent his body corporate bill soaring.

Brisbane-based Reza Taleshi, who bought the unit with his wife as an investment, said he was slugged more than \$1000 in June for concrete cancer repairs.

“They didn’t tell us how bad the damage was and now we are paying for it,” he said.

“We will eventually sell because no matter who is running our body corporate, the cost is too high.

“The value of the property is less than when we bought it ten years ago.”

Master Builders Regional Manager John Duncalfe said concrete cancer would manifest into a major problem if left untreated.

“Superficially painting over concrete cancer is not smart economics because long term you will have a bigger problem,” he said.

“You need to keep the moisture out, otherwise the problem worsens with time.”

Main Beach Councillor Lex Bell, who served as chairman of a body corporate 10 years ago, said engineers should be hired to check all concrete cancer work.

“I would say it is essential (to hire an engineer) to ensure there is no cover-up,” he said.

“Otherwise it will be a building where ordinary unit holders cannot see the extent of the damage.

“It means they are at the mercy of the contractor and owners of the units probably don’t even know the contractor.

“Most buildings need to deal with it every seven years or so, which means it is a good idea to plan ahead.”

Ace Body Corporate Management senior representative Georgia Cook, who represents dozens of buildings on the Coast, urged high-rise management to check the credentials of all concrete cancer tradesmen,

“You can’t just slap concrete all over the place,” she said.

“When you are dealing with people who fix concrete cancer, you need to make sure they have the right credentials.

“You need to put a plan in place and need enough money in the funds for these repairs, especially if the building is before 1990.”