Update to the Earthquake-Prone Building System

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Shaking up the Earthquake-Prone Building System: cost and safety implications for Dunedin Coastal Otago and rural townships

Introduction

The government has announced a major reform of the Earthquake-Prone Building (**EPB**) system, replacing the existing system which is based on a percentage of the New Building Standard (**NBS**) with a more proportionate and risk-based system.

Dunedin and Coastal Otago will also have its risk-classification upgraded from *low seismic zone* to a *medium seismic hazard zone*. That change is concerning on its face, but EPB owners will be assisted with a suite of changes that alleviate the cost of achieving compliance, which are estimated to save $8.2 billion across the country. This figure is based on the following key changes:

- Reducing the scope of regulation
- New risk-mitigation measures for achieving compliance
- Removing 'ancillary upgrade' requirements

The New Risk Landscape for Dunedin and Coastal Otago

The reclassification of Dunedin and Coastal Otago from low to medium follows updated assessment methodology released in 2022 (National Seismic Hazard Model). This updated model estimated that the earthquake hazard in Coastal Otago increased by 160%.

This means that around 150 existing EPBs in Dunedin will continue to be subject to the EPB obligations. By contrast, areas such as Auckland and Northland are being entirely removed from the system due to low seismic risk.

Despite the increase in risk level, the government has retained the existing remediation deadlines, rather than facing the shorter timeframes typically introduced for a medium seismic zone. Additionally, the deadlines for territorial authorities to identify EPBs also remain as they were prior to the reform.

Reducing the Scope of Regulation

The system will be focused on the highest-risk structures located in medium and high seismic zones:

- High-risk 3+ storey buildings of heavy construction (typically concrete).
- Unreinforced masonry buildings (**URM**).

- This change excludes many previously captured low risk building types, such as older 1-2 storey non-URM.

New Risk-mitigation Measures for Achieving Compliance

The 150 continuing EPBs in Dunedin will benefit from a range of new mitigation measures that replace the previous universal "full retrofit" rule requiring all identified building vulnerabilities to be addressed to 34% of the NBS.

The four levels of mitigation, and their requirements are set out in below:

Mitigation Level	Target Building Type / Location	Required Action
Risk Register	1-2 storey URM buildings in **rural or small towns.**	The EPB is recorded on the EPB Register, with no mandatory requirement to remediate. Owners of these buildings no longer need to display a physical EPB notice. To have the EPB status officially removed from the register, the owner must undertake at least façade securing.
Façade Securing	URM buildings (1-2 storey and 3+ storey) in **urban centres.**	Requires securing façades and walls that face public spaces or are above adjacent properties and addresses the life safety risk of façades, exterior walls, and parapets falling onto people and vehicles outside the building.
Targeted Retrofit	3+ storey high-risk heavy construction buildings (generally concrete) in **rural or small towns**.	Requires a retrofit to specific vulnerabilities with the highest life safety risk. For concrete buildings, this addresses the worst vulnerabilities both inside and outside the building.
Full Retrofit	3+ storey URM buildings in **urban centres**.	Addresses all identified significant building vulnerabilities to a level comparable to the current mandatory minimum (e.g., equivalent to 34% NBS). This requirement is retained for the highest-risk buildings where reduced remediation requirements are not justified by the significant life safety risk.

Note that owners of any EPB required to meet a mitigation requirement also have the option to demolish the building instead. However, this may require other approvals for EPBs that are also protected in a district plan or in the New Zealand Heritage List / Rārangi Kōrero.

Removing ‘ancillary upgrade” Requirements

Previously, obtaining building consent for seismic strengthening often triggered a requirement under the Building Act 2004 to bring the entire building up to current fire escape and disability access standards, potentially adding substantial cost. The changes would allow seismic strengthening work to proceed *without* automatically

triggering these mandatory ancillary upgrades, potentially reducing a significant financial barrier to remediation.

Key Action Points

We recommend property owners, particularly those who own existing EPB to review the new system requirements and assess the potential impact, including by:

- Confirm your building's designation under the *new* criteria (building type and seismic zone) Note: in Dunedin and Coastal Otago this is automatically upgraded to *medium*.
- If your building remains an EPB, determine which specific, more cost-effective mitigation requirement applies.
- Note the retention of the original deadline and the availability of up to 15 years of extensions (at the territorial authority's discretion).

There is no set timeframe on when these changes will come into effect and will be subject to the regular parliamentary process.

If you require specific advice on how these reclassification and reform changes affect your property or development plans in the Dunedin or Otago region, please contact our expert team.