

ParkgateAspen

STATEMENT RE EXTERNAL FAÇADE CONSTRUCTION

Re: Berkeley Tower, Hanover House, Belgrave Court, Eaton House
Canary Riverside Estate, Westferry Circus, E14 8RH

After the Grenfell Tower fire tragedy, the government mandated the removal of all ACM-type (extremely flammable) cladding from buildings of 18 metres or higher and provided grants to cover the cost of such remediation.

Since then the government's Building Safety Programme has moved on to non-ACM buildings, requiring landlords to have all such high rise buildings professionally inspected to determine whether their external fabric contains combustible materials or insulation or are deficient in other respects such as fire breaks. It is this second phase of compliance that applies to the residential towers at Canary Riverside.

On top of the new rules, mortgage lenders began refusing to finance purchases of flats without confirmation that the building complied with the new government standards. This led to the creation of an External Wall Fire Review certificate, known as EWS1, which would be recognised by lenders and insurers as attesting to the safety of such buildings. Otherwise, no EWS1 – no sale or mortgage.

Only a limited number of experts are qualified to issue EWS1 certificates or are sufficiently insured to satisfy lenders. It is thought that there are less than 400 fire engineering consultants or firms in the UK currently eligible and recognised to sign an EWS1 form. Compare this with almost 3,000 non-ACM buildings currently needing remediation, comprising more than 185,000 flats, and you can understand the difficulty facing landlords in getting qualified surveys done and leaseholders getting their flats sold any time soon.

As for Canary Riverside a series of intrusive inspections into the external façade of the towers were undertaken earlier in the year revealing a range of materials which did not appear to comply with the new standards. Such exploratory work is the first part of the process. Once unsafe materials are found, a qualified fire engineer needs to specify what measures and materials are required to render the building compliant.

Such a specialist firm, International Fire Consultants Ltd [IFC], was instructed to undertake a holistic fire safety review of the buildings. IFC's initial review has since been completed and we are now in the process of their 'detailed' review phase.

This detailed review is expected to recommend that some areas of zinc cladding will require remediation but that other areas might possibly be deemed acceptable depending on the condition of cavity barriers originally fitted. Further intrusive surveys are now required to investigate these areas which are being scheduled to take place as quickly as possible, allowing for the inevitable waiting lists.

At the same time, we have registered Canary Riverside with the government's £1bn non-ACM 'Building Safety Fund' to claim the cost of qualifying works deemed necessary.

It is far from clear whether the full cost will be covered by this government fund which, seems to have underestimated the number of deficient buildings. The true cost countrywide is expected to be more than £4bn. This is why we inserted a cladding contingency of £600,000 in the current year's budget which, added to a prior year's contingency sum of £550,000, makes up a £1m-plus reserve for which a separate account was opened, and which has been funding the initial professional fees of IFC and consultant surveyors Calford Seaden.

All steps in this evaluation and compliance process are being coordinated with a special cladding committee which include representatives of the landlord, the residents' association RACR and Circus Apartments.

This notification is dated 25th September 2020.

Further updates will be provided as the process continues.

A handwritten signature in blue ink, appearing to be 'R' followed by a long horizontal stroke.

Parkgate Aspen Ltd.
Managing Agents