

5 November 2021

**NOTICE OF
CIVIL CONTRACTORS NEW ZEALAND INC
SPECIAL GENERAL MEETING
To consider the future of Margan House**

CCNZ Executive Council is calling a Special General Meeting to consider the future of CCNZ's Office, Margan House located at 21 Fitzherbert Terrace, Thorndon, Wellington.

The SGM will be held as follows

Date: 25 November 2021

Time: 10.30 am to 11.30 am

Venue: online - Microsoft Teams meeting [click here](#) to register

Background

CCNZ and its predecessor organisation NZ Contractors Federation has owned Margan House since 1964. The building was purchased to be the home of the organisation and provide a base for the industry to undertake national advocacy.

Over the past 12 to 18 months CCNZ's Executive Council has become aware that the building requires substantial maintenance and investment. The building has considerable historic water tightness issues, and the internal layout requires updating to meet the current organisational needs.

The required investment is substantial in terms of CCNZ's cash reserves and there is a high degree of uncertainty about the extent of the repairs required without first removing all the cladding. If we were to make this investment it will draw funds away from our core purpose which is delivering benefits to our members and the civil construction industry.

Future options

This position has led the Executive Council to consider the future of Margan House. This has included three options repair, develop or sell. A summary of our assessment of these options is as follows.

Repair – Our estimate is that the investment required exceeds \$500,000. Potentially a full re-cladding of the building is required, along with replacement of significant areas of framing. The uncertainty about the extent of the repairs required can only be resolved once the cladding is removed. Added to this is the potential and non-urgent upgrading of the interior to better meet the needs of the organisation. The concern is that following investment, we still own a flat roofed building in Wellington which could see the issue reoccur or cause further maintenance issues.

Develop – This option would require significant investment that would require CCNZ to raise additional money potentially through borrowing money or bringing in a development partner. It would involve significant disruption for our staff as to obtain maximum value the building would need to be demolished and a new build constructed. This would require at least a temporary relocation of staff. The Executive Council's view on this option is that CCNZ is not a property developer and that this option would be a major distraction from our core business.

Sell – Margan House is in a prime position on the city fringe but with park like surroundings. We also have a neighbour that is very interested in the property. In considering this option the Executive Council has agreed that if it is pursued then our preference would be to use the proceeds from the sale to purchase suitable alternative premises. We would also look to see how we can retain the name Margan at a new location.

Given the high remediation costs the Executive Council is at this stage leaning towards the sell option. However, we are aware that Margan House has been home to our organisation for almost 60 years, and it also represents a significant portion of the organisation's equity.

We have also noted that there is a resolution on our books from the Contractors Federation 2000 AGM which states *“that if the Executive Council ever considered that Margan House should be sold, a vote of the membership should be conducted before any action is taken”* and we have therefore called this SGM to consider the following resolutions

Resolutions proposed by the Executive Council

1. That the membership of CCNZ note the current position regarding Margan House.
2. That the membership of CCNZ note that the management of CCNZ is vested in the Executive Council as per Rule 5 of the CCNZ Constitution.
3. That the Executive Council be given the mandate to sell Margan House if appropriate.
4. That the passing of resolution 3 satisfies the requirements of the 2000 AGM resolution.

Proxies

If you are unable to attend the SGM, you can appoint a person who is attending the SGM as your proxy by completing the attached proxy form and returning it by Thursday 18 November 2021.



Peter Silcock
Chief Executive

Principal Business Partner

