



18 December 2019

Opal Tower residents return home

All residents from the Opal Tower apartment complex in Sydney are back in the building, with all 392 apartments now returned to the tenants.

Opal Tower builder Icon also confirmed it would provide an unprecedented 20-year structural warranty on the rectification work undertaken at the apartment complex – three times longer than the standard six-year period required for residential buildings in NSW.

With rectification work on all apartments now completed, Icon today detailed for the first time the comprehensive measures undertaken to ensure tenants and owners were not left out of pocket.

Icon opted for a proactive and comprehensive approach to supporting tenants and apartment owners despite forming a view early in the investigation process that the underlying cause of the issue was related to design rather than faults during the construction.

Icon's response to the Opal Tower issue, which involved the relocation of residents and rectification to ensure the building itself and all individual apartments were independently certified as safe and fit to live in, includes:

- Managing the design, detailing, approval and completion of all of the rectification works at its own cost;
- Funding alternative accommodation expenses;
- Covering all relocation and storage costs;
- An allowance to every resident for food and incidental expenses;
- Offsetting the increase in insurance premiums for Opal Tower for the next 12 months;
- A helpline and online portal for residents to fast-track support services;
- Providing a 20-year warranty to cover any major defect in the structure of the Opal Tower – the *Home Building Act* in NSW requires six years.

Icon has outlaid an estimated \$31 million on Opal Tower since 24 December 2018, with support to residents during the remediation works the number one priority. Icon provided owners and tenants more than \$11 million in relocation expenses, covering hotels, rental and lease costs, security, pet accommodation, removalists and furniture storage, insurance and transport.

While expenditure on the rectification process was more than \$13 million, the direct structural repairs have accounted for about \$2.5 million, less than 10 per cent of the total outlay.

All remedial design works have been certified as part of the quality assurance provisions established by Icon.

Icon has mandated significant changes to its construction and review processes during 2019 to ensure there is no recurrence of a similar incident.

The new Icon quality assurance provisions – which are already in place and will apply to all Icon projects going forward – include mandated dual certification for all structural designs and specific requirement for additional structural engineer inspections. Icon’s requirements are far more stringent than standard industry practice and exceed NSW Government recommendations for the residential construction sector. Icon has also been active in advising industry associations, professional bodies and government agencies on the implementation of recommendations included the NSW Government report released in February 2019.

Icon Managing Director Nicholas Brown said “We are pleased to have returned the final apartment as it helps provide certainty for all of the Opal tenants and owners. While today marks a significant milestone, we recognise the inconvenience and co-operation of owners and tenants over the past year and are grateful for their assistance. We can assure them we have done everything we can to minimise the impact.

“Our commitment to seeing this project fulfil its full potential has been unwavering from day one and we are pleased to provide the 20-year warranty as a sign of our confidence in the building today. The warranty is over and above any guarantees offered by competitors or any statutory requirement in the country. We believe Opal Tower is now the safest building in Australia when it comes to structural integrity.

“As a result of the measures taken by Icon and the financial assistance provided to the owners to date, owners will have been fully reimbursed for any losses arising out of the damage in the Opal Tower.

“While we acknowledge the very challenging circumstances residents faced when the issues first emerged in December last year, we remained focused on delivering best-practice rectification. Safety is always our top priority and we have been committed to ensuring residents were back in the building as quickly as possible.”

While it was a challenging year for tenants, apartment owners and Icon, positive feedback from residents and owners, regulatory bodies and other stakeholders has Icon’s approach to the Opal Tower issue cited as the industry benchmark and a blueprint for potentially similar scenarios.

Opal Tower apartment owner Brian Jones said open and direct communications with residents was a trademark of Icon's approach to the challenges.

"The rectification process understandably was never going to be of a short duration. Icon has focused on being meticulous in ensuring the rectification has occurred with as minimal disruption as possible, a difficult proposition.

"I was impressed at their genuine concern for the residents and staff associated with Opal Tower and what I considered was a speedy response under difficult and completely unexpected circumstances.

"The level of intricate detail being executed at Opal Tower in the rectification process would arguably place Opal Tower as the most complete and safest building in the country due to the rigorous procedures undertaken. My belief is that Opal Tower will get past this issue and eventually become an iconic building of Sydney Olympic Park."

Icon prioritised the return of the apartments to owners and tenants and is now focused on closing out the remaining enhancement works, including the 20-year structural warranty. The work is scheduled to be finalised in March 2020. All of the apartments are completed, work continues on the external façade in relation to the warranty, and improvements are being made to some of the shared hallways.

Earlier this month Icon lodged documents in the Supreme Court of NSW which assert that the event at Opal Tower last year was due to damage resulting from design failures of the structural design engineer WSP Structures.

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