



Timber  
Unlimited

# Asset Owner research

## A summary of findings

July 2023

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# To help make timber an easy choice for the industry at large, you first need to understand it.

A knowledge gap around asset owners' needs and drivers was identified through the development of Timber Unlimited's, then Timber Design Centre, business strategy in late 2022.

In early 2023, Timber Unlimited commissioned a piece of qualitative research across a wide range of New Zealand asset owners to better understand this crucial audience, exploring their needs, wants and understanding of the use of timber in commercial and government settings.

The key findings highlight the difficulty of being innovative in commercial construction, challenges around access to timber expertise, and the barriers and factors that make it easier to create buildings with timber.

It has also aided in opportunities to impact the perceptions and choices of the ultimate decision-makers positively.

This research has armed us with the information we need to encourage and accelerate the use of timber in design and construction in New Zealand.



## Objective

**The primary objective was to understand the motivations and barriers for timber with a wide range of New Zealand asset owners – a group of people that are rarely researched.**



## Method

**In-depth interviews with key asset owners and primary decision makers/influencers within collective development organisations.**



**N = 15 achieved**

*Variety of development organisations, with varying relationships with timber in commercial settings.*



# Key findings



## Key findings

# Highlight summary

### **ASSET OWNER TYPES**

The title 'asset owner' suggests a singular entity, but as with all aspects of life, Asset Owners vary from individuals with a calling to develop commercial property through to government, and collectives of individuals who work cooperatively to design and develop structures and communities.

Attitudinally there are clear groupings in terms of timber use however. These can be described as Asset Owners who are comfortable with concrete/steel with limited interest in timber currently, those that are aware of timber use for commercial purposes, but have hesitations, and those that are aware of and have some level of interest or experience with timber use.

Experienced Asset Owners invariably had a strong sustainability focus and were dedicated to creating structures that were not only fit for purpose, but also future fit for a world that is becoming increasingly sustainably focused. They were prepared to bear a little extra cost or take a little more time to make structures that have a lower carbon footprint and are healthier for people and the planet.

### **ASSET OWNER ECOSYSTEMS**

No asset owner is an island, they are surrounded by an ecosystem that exerts varying degrees of influence over the decisions they make regarding materials, aesthetics and requirements. Typically the key influences in the ecosystem involves architect(s), project manager(s), main contractor, QS and in some instances engineers. Sometimes the end user/owner/tenant has an impact and sometimes they don't.



## Key findings

# Highlight summary

### EXPERTISE

Given that timber use in commercial settings is only just starting to unfold in Aotearoa New Zealand it is not surprising that genuine expertise isn't widespread. Those with experience in commercial timber construction have either grown or amassed the existing experienced talent around them, leaving later entrants to timber struggling to find the knowledge and experience they need to create buildings in a streamlined and efficient way. The lack of widespread expertise is a significant impact on greater numbers of timber buildings being developed, and is a key gap that requires attention.

### THE LEARNING CURVE

Experienced Asset Owners spoke to a learning curve that's needed to 'switch the thinking and the skillset' from concrete and steel to timber. Many of the experienced Asset Owners spoke to situations that involved learning at all parts of the construction journey, and through all disciplines involved to evolve the necessary knowledge to make a timber construction as 'routine' as concrete and steel is. Less experienced Asset Owners and their ecosystems are aware of these challenges and some are naturally hesitant about incurring additional costs for trial and error situations in the absence of experience. Less experienced Asset Owners are strongly in favour of open source learning so that the market can have a level playing field in terms of understanding the basics of timber construction and can anticipate the potential challenges and plan to overcome them.



## Key findings

# Highlight summary

### HESITATIONS

Those that were more comfortable with concrete and steel expressed a number of concerns about the use of timber in commercial structures. These concerns included:

- **Cost** – products associated with sustainability appear to also be associated with additional expense
- **Lack of familiarity** – if it's unknown this signals more work/time/cost
- **The sense of risk** with changing practices
- **Encapsulation** – due to interpretations of the fire regulations
- **Delays** – unfamiliar products/techniques/practices generally mean delays in terms of sign offs etc.
- **Habit** – general sense of 'if it's working don't fix it'

### THE COUNTER ARGUMENT

Highly experienced Asset Owners tended to acknowledge the concerns of others but spoke to the market needing to 'change its attitude'. Some participants suggested that a fundamental attitude shift is needed, and indicated that if others tried to build 'traditional' buildings with timber then they'd absolutely encounter all of the issues noted. They suggested that there needed to be a 'new attitude' – one which didn't try and use timber as a substitute for steel but built for the needs and benefits of timber from the outset. Highly experienced Asset Owners suggested that once the mindset shifted, then the issues became no more complex than any other build.

Experienced Asset Owners indicated that using 'timber buildings' as terminology may embed negative perceptions. They pointed out that most of the International timber buildings incorporated concrete cores – therefore making them hybrid structures, and therefore making it seem 'less different' to those less experienced with timber.





## Key findings

# Highlight summary

### BENEFITS

Participants that were experienced in creating buildings with timber suggested that there were any number of benefits. These included:

- **The naturalness of timber** – timber is seen to add a genuinely good feeling to a building, a genuine enhancement of the built environment
- **Sustainability** – careful sourcing means that there is a constant supply of timber that is renewable
- **Lower carbon** – Asset Owners spoke to embodied carbon and a reduction in overall carbon footprint
- **Weight** – timber is lighter and easier to transport, creating less risk in terms of health and safety
- **Health** – timber is not like other products with lung damaging dust or full of nasty chemicals
- **Cost** – experienced Asset Owners spoke to cost comparability if timber is used wisely
- **Adaptable** – able to be used for renovations as well as new builds, with a high degree of flexibility should future changes be required
- **Future fit** – experienced Asset Owners suggested buildings with timber would be better prepared for the needs of tomorrow

### THE ISSUE

Unfortunately, those less experienced seem to be hearing more about the issues than the benefits – indicating a real need to address the balance of conversation.



# Future potential



## Future potential

# Where to from here

### Promises

- Timber needs to be consistently understood as a way of offering an improved built environment
- Timber has the potential to be seen as a way for the construction industry being able to demonstrate a new level of accountability and responsibility for material choice in a rapidly evolving sustainability focused environment

### Problems

- Usual way of thinking and operating are challenged by timber – adds to a sense of risk, adds to a sense of cost
- Difficult to prove ROI currently
- Changing and inconsistent regulations – frustrating and time consuming
- The learning curve – cost and time impacts as undesirable
- Lack of skills and experience

### Possibilities

- Create, support and share a new vision for construction
- Improve practices from early concept stage through to maintenance
- Educate to a new level of professionalism across the market – make the expertise mainstream
- Normalise through discussion of better building, not timber building, mixed material as a pragmatic solution



## Disclaimer

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