

Residential construction from the Ground Up

 By [Sindy Peters](#)

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Founded by Marco Kriek in 2015, [Ground Up](#) is an independent construction consultancy that aims to ensure home build quality in SA. With over 10 years' experience in the home building industry, Kriek has seen it all. After realising that almost every person he knew that built a house had serious construction problems, he decided to launch Ground Up with a unique system to help prevent them.



Marco Kriek, founder, Ground Up

We interviewed Kriek to find out what it's like being an entrepreneur in SA, more about the business he runs and the residential construction industry in SA.

■ **As an entrepreneur, how can government create a more enabling environment for startups in SA?**

In terms of the construction industry, local governments can streamline the various approval processes as delays in approvals have a severe effect on the cash flow of startup businesses in the residential construction sector. Cutting approval times by avoiding delays will allow startup businesses to better plan their finances and, as a result, have a much higher success rate leading to the creation of more permanent jobs.

■ **Do you think anyone can be an entrepreneur or is it something you're born to do?**

I personally think anybody has the capacity to be an entrepreneur. It can, however, be a very daunting task starting your own business, especially when you leave behind the safety of a monthly salary. I also believe that exposure plays a big part in whether someone takes the leap. It is, therefore, very important that entrepreneurs get involved in their communities, thereby hopefully inspiring a new generation to follow in their footsteps.

■ **What are some of the challenges you've faced as an entrepreneur and how have you overcome them?**

For me the biggest struggle was getting to grips with all the various admin processes. I maybe did not realise the importance of having very good admin systems in place when I first started. For someone who likes to be hands-on during the process and spend as much time as possible on site, taking the time to make sure everything was as it should be on the

admin side of the business did not come naturally to me. I took a while to make the necessary mind shift and I have since found it a lot easier.

▣ **What exactly does Ground Up do?**

Ground Up specialises in affordable quality assurance on residential construction projects. We have tried to fill the gap between builder and client to help facilitate the process and ensure that our clients receive a top quality product. A big part of what we do is also based around the experience our clients have when building. Building a house should be an exciting time in people's lives and not a stress filled one.

Quality assurance is the process through which quality is managed in a proactive manner trying to prevent problems rather than having to fix them after they have occurred. We have created a system called Quality Plus that guides our clients through the construction process focusing on all the areas where problems normally arise including documentation, site inspections, detailed reports documenting the entire process and defect management.

▣ **How did you go about developing the Quality Plus system?**

When I set out to design the Quality Plus system it was important to me that I didn't only deal with the areas that I, as someone with in-depth knowledge of the industry, thought necessary. I, therefore, consulted with various people including people with no experience, people who just bought their first house, as well as people who have been through the process many times. Getting input from these various experience levels helped me get a much clearer picture of what problems people were having when building a house. I then used my knowledge and experience and created a system that not only assures quality of work but also helps manage the relationship between builder and client. I also tried to condense the system as much as possible without compromising on quality. This allowed me to keep the price to roughly a third of what you would pay for similar services.

▣ **Is there something inherently flawed in the South African residential construction process that so many people encounter serious problems during construction?**

Yes, unfortunately there are many flaws in the industry that make it almost impossible for someone without experience to navigate. I can honestly say that I have never met someone who built a house without expert knowledge or third party involvement that was completely satisfied. There are simply too many things that can go wrong.

▣ **What are some of the major pitfalls that home builders experience if the process proceeds unchecked?**

The biggest pitfalls I normally see with clients are the lack of understanding of their contract and the absence of a documented history of the project. When a client does experience a problem during the construction process I normally find that they cannot act because of the wording of their contract or the lack of proof as to the cause of the problem. All houses will at some point during the construction process have defects. The trick is to position yourself in such a way that you can manage the process efficiently and effectively.

▣ **If protection is provided under the Housing Consumers Protection Measures Act, regulated by the NHBRC, why is it still necessary to make use of third party services such as Ground Up?**

The main issues with the NHBRC are their lack of service and the scope of their cover.

The NHBRC only covers the structure of your house which is roughly only 50% of the value. All other aspects are not covered or checked by them and they have no authority to check or fix any item that does not form part of the structure. They also only cover the construction of new houses and do not cater for alterations.

The second and much bigger issue with the NHBRC is the severe lack of service they provide to clients. According to their own annual report for 2012/2013, the NHBRC did on average only 1.6 inspections on each house that was enrolled with them, even though they are required to do a minimum of 6 inspections. This low number of inspections leaves clients exposed as the quality of work is not checked in a systematic way and the result is serious defects.

Once these defects arise, the NHBRC is also very reluctant to make settlement payments to clients. In 2014 the NHBRC paid settlements to the value of R8m. Although this is a significant amount, it is significantly less than similar organisations in European countries. During the same period the NHBC, which is the British equivalent of the NHBRC, paid settlements to the value of roughly R1.3bn with many less houses enrolled.

🚧 What advice would you give to budding SA entrepreneurs?

Stay positive. South Africa as a country has many problems and it is easy to become negative. There are however still many great opportunities for innovative and hardworking entrepreneurs.

ABOUT SINDY PETERS

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