

EARTHQUAKE RECOVERY UPDATE

ISSUE 2 | AUGUST 24, 2011

Gerry Brownlee
Canterbury Earthquake Recovery Minister



Gerry Brownlee

It is now six months since the destructive and devastating quake of 22 February. It is a time of reflection and remembrance and my thoughts are with those of you who lost loved ones and friends.

We are making significant progress along the recovery and rebuilding path.

On 23 June we announced the zoning of residential land in greater Christchurch into green, red, orange or white zones. We have continued to focus on the significant work programme required to reclassify the orange and white zones to either green or red, so people living in these zones get clarity about the state of their land and can make plans and move on with their lives.

The first priority has been on the orange zone areas of Waimakariri. On Thursday 18 August we confirmed 940 Waimakariri properties previously zoned orange had now been zoned red.

The decision was not easy. The Government appreciates it will have a significant impact on a town the size of Kaiapoi. We carefully considered a range of geotechnical advice but the inescapable fact was the land in the hardest-hit areas of Kaiapoi and Pines Beach, and the critical infrastructure beneath, was so badly damaged that it is unlikely the land could be rebuilt for some considerable time.

Kaiapoi residents have demonstrated great patience. I hope this decision, as difficult as it will be for many, will provide the certainty they seek and a way forward.

Further progress was made last week with many of those property owners in the residential red zone announced on 23 June receiving their purchase offer from the Government for their land and buildings.

This is the biggest land offer ever transacted in our country's history. There is no doubt it is a big decision for individual property owners. There is a lot of information to consider and nine months to reach a decision. I urge all those affected to seek appropriate advice and support to assist in making those decisions.

I formally opened CERA's Earthquake Assistance Centre at the Avondale Golf Course on Friday 19 August, where a number of advice and support agencies will be represented in one place. I'm sure it will be a useful source of help for people from the worst affected areas.

Progress is being made in the Christchurch CBD also. Prime Minister John Key launched Restart the Heart on 12 August, an initiative aimed at restarting the Christchurch CBD. Retail business can sign up to lease temporary retail space in converted shipping containers which can be relocated to where they are most needed. We all look forward to the CBD being open for business and reforming as the heart of our city.

I'm looking forward to hosting my Cabinet colleagues in Christchurch on Monday 5 September. This is the first time in 16 years that Cabinet has met outside Wellington and acknowledges the anniversary of the first major earthquake on 4 September last year.

Finally, thank you again for the way you have pulled together and the great resilience you have shown in the aftermath of these earthquakes.

The task of recovering and rebuilding the region is enormous but we are making significant progress. I am determined to maintain that momentum so we can again enjoy our beautiful region.

Roger Sutton
CERA Chief Executive



Roger Sutton

The announcements over the past week have affected thousands of people, reinforcing the huge impact the earthquakes have had on our lives. Waimakariri residents are now beginning a tough journey that Christchurch red zone residents have been on since June. It's our job to help people work through the issues that the land decisions are creating – not just now, but for the foreseeable future. The Earthquake Assistance Centre, which opened at the Avondale Golf Course last Friday, will be a drop-in centre for those of you who need help, as is the Kaiapoi Earthquake Hub. I encourage you to make the most of these opportunities and seek support and information.

The Government letters of offer posted to people in the Christchurch red

zone will be generic going forward for everyone as areas that are currently zoned orange and white are re-zoned green or red. Although property valuations will differ, as will the state of the property (land and buildings), the offer itself will be based on two options. Option 1 will be for the property based on the most recent rating valuation (for Christchurch this is 2007 and for Waimakariri District this is 2008). Option 2 will be for the land value only and the property owner will negotiate the value of the house depending on its condition. The offer (outlined on page 2 of this supplement) includes an information package covering the options for residential property owners as well as questions and answers. It's important that people take time to read the offer thoroughly and take legal advice about their next steps. There's

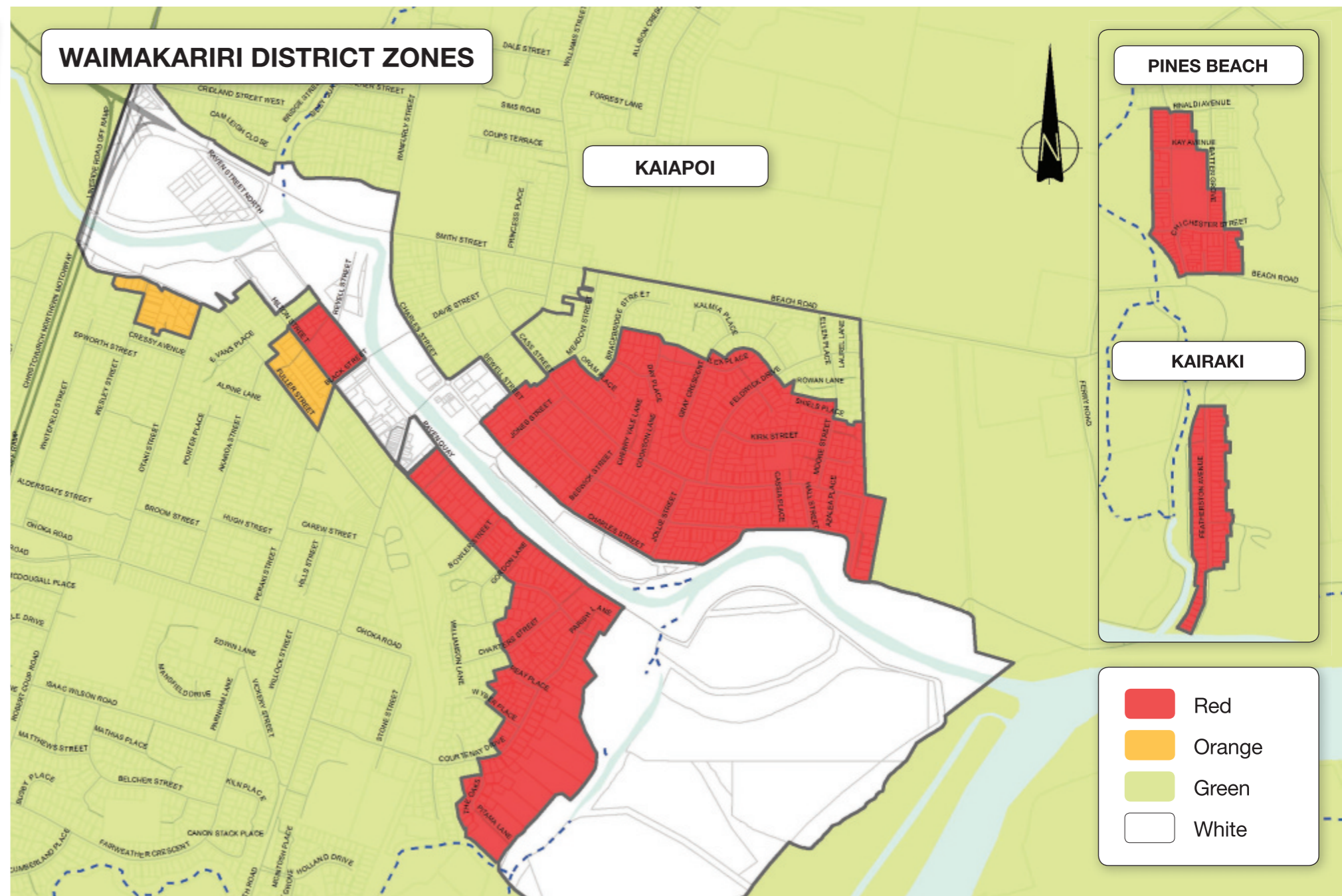
no rush to make a decision. While some of you will be keen to move on quickly, others will want to stay where you are for as long as possible. That's fine with us, and we'll do everything we can to help.

Part of the decision-making will be where to move to and what is available. The recent My Housing Options Expo presented ideas for people if they prefer to rent, want to buy an existing house, or choose to build something new. Again, these are major issues and getting advice is crucial, so we plan to hold more expos where you can get a second opinion from a range of experts. There are lots of questions about how and when residents will accept the offer, when they will be paid and how. This information is included in the booklets that accompany the offer and

is also available on the CERA website www.cera.govt.nz.

I know many people haven't yet returned their consent forms, or may not have received them. If you haven't received a consent form, please let us know. As soon as it is returned we'll send your letter of offer.

On 22 August we all acknowledged with great sadness the tragic events of six months ago. Soon we'll remember what happened on 4 September 2010. It's been a very difficult year for our community; not helped by the recent bad weather. I'm heartened by the many residents groups and organisations that have set up to bring greater focus to local issues and help us develop answers and choices for everyone. It's all part of the collaborative effort to ensure we rebuild our lives and our broken city.



RED
RED ZONE

Land repair would be prolonged and uneconomic, in the short to medium term

- Land has suffered significant and extensive damage
- There is a high risk of further damage to land and buildings from low levels of shaking e.g. aftershocks or flooding
- Infrastructure needs to be completely rebuilt
- Land repair solutions would be difficult to implement, prolonged and disruptive for landowners

ORANGE
HOLD ZONE

Further assessment required

- New damage following the 13 June 2011 event requires further assessment
- Generally land damage ranges from moderate to very severe
- Extent of infrastructure damage is unclear
- Detailed assessment is required to determine whether land repair is practical
- Following further assessment and engineering analysis many of these areas may be reclassified as suitable for rebuilding i.e. green go zone

GREEN
GO ZONE

Repair/rebuild process can begin

- No significant land issues prevent rebuilding based on current adopted seismic standards
- Land damage may be present but this can be repaired on an individual basis as part of the normal insurance process
- Insurers can continue claim settlements on repairs and rebuilds on individual properties
- Department of Building and Housing (DBH) is preparing engineering guidelines for repair/rebuild of houses in these areas
- Some properties may require specific engineering design to comply with the DBH guidelines
- Decisions on when to commence rebuild/repairs should take account of ongoing seismic activity and potential for significant aftershocks

WHITE
UNZONED

Unmapped or mapping underway

- This area includes the Kaiapoi town centre, commercial property, parks and schools

Waimakariri residents can check the status of their property on the website www.landcheck.org.nz or phone 0800 RING CERA (0800 7464 2372)

HOW TO CONTACT CERA:

General enquiries:
0800 RING CERA (0800 7464 2372)
Office: (03) 354 2600 Fax: (03) 963 6382
Postal address:
CERA, Private Bag 4999, Christchurch 8140
Email: info@cera.govt.nz
Website: www.cera.govt.nz
Twitter: twitter.com/CERAgovtzn
Facebook: www.facebook.com/CanterburyEarthquakeRecoveryAuthority
Land information: landinfo@cera.govt.nz

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DRAFT CENTRAL CITY PLAN: A CAREFULLY CONSIDERED RESPONSE TO OUR COMMUNITY'S INPUT

The Christchurch City Council has adopted the draft Central City Plan for consultation. This is the first of the recovery plans to rebuild Christchurch following the devastating earthquakes.

It outlines how the Council plans to redevelop and rebuild the Central City as a safe, low-rise, resilient and sustainable city within a garden. The Central City will be easy to get around, have a compact central business district, an array of inviting spaces and plenty of activities – all of what our community asked for during Share an Idea.

There are more than 70 projects detailed in the draft as being important to help make the Central

City a vibrant, prosperous place again to be enjoyed by residents and visitors.

“We propose to widen and celebrate the banks of the Avon River/Ōtakaro as Christchurch's new riverfront park; introduce a light rail system to initially connect the University of Canterbury and the Central City; build a new sports hub with an aquatic facility and indoor stadium; develop a new Central Library and a world-class convention centre; green Cathedral Square; and create a network of neighbourhood parks and gardens spread throughout the Central City,” Mayor Bob Parker said.

He says affordable high-quality inner city housing will be found in the redeveloped Central City, along with

new public art and performing arts venues and playgrounds.

“This is a draft plan; it is not the final version. That will be decided after weeks of further discussion with our community and hearings in front of the full Council in October. Rather, this draft is a carefully considered response to our community's input so far.”

Mr Parker said as a city we have one opportunity to get this rebuild right. “What we decide today will influence how Christchurch evolves during the next 20 years and the shape of the city for the next 150 years. We are creating history; this is the most important time in Christchurch's history since the city was established more than 160 years ago.”



Conceptual image of the Avon River Park/Papawai Otakaro.



Conceptual image of the new lower-rise buildings in the Central City.

TELL US WHAT YOU THINK

Our community shared 106,000 ideas towards the development of the draft Central City Plan: what you told us influenced the projects detailed in the draft Plan.

The release of the draft Central City Plan is not the end of this process but rather the beginning of our next conversation with the community. We need everyone to read the draft Plan and tell us what you think – good and bad.

The draft Plan is available:

- online at centralcityplan.org.nz
- available on CD and hard copy from Council Service Centres, Libraries and Recreation and Sport Centres
- on request from Council's Call Centre on phone 941 8999 or 0800 800 169
- it can also be viewed at the roadshow venues

Written comments can be made:

- via the website – centralcityplan.org.nz
- via email – centralcityplan@ccc.govt.nz
- on the comment form available online and in the summary document or via letter to:

**Freepost 178
Central City Plan Comments
PO Box 73001
Christchurch 8154**

Comments will be accepted to 5pm on Friday 16 September 2011.

CENTRAL CITY PLAN ROADSHOWS

The Central City Plan Roadshow is taking the draft Plan out to our local communities. This will make it easy for everyone to learn more about what's in the draft Plan, to discuss any areas of interest with the city's planners and, most importantly, allow the community to make a written comment on what they think about the draft.

The Roadshow details are:

- Wednesday 24 August, Cashmere Club, 50 Colombo Street, from 11am to 7pm
- Thursday 25 August, North Beach Community Centre, 93 Marine Parade, from 11am to 7pm
- Friday 26 August, St Albans-Shirley Club, 269 Hills Road, from noon to 7pm
- Saturday 27 and Sunday 28 August, University of Canterbury's Central Lecture Theatre, 10am to 4pm
- Monday 29 August, La Vida Conference & Community Centre, 34A Hansons Lane, from 11am to 7pm

- Tuesday 30 August, Burnside Bowling Club, 330 Avonhead Road, from 11am to 7pm
- Wednesday 31 August, Akaroa Sports Complex, 28 Rue Jolie, Akaroa, from 1pm to 6pm
- Saturday 3 September, Lyttelton Recreation Centre, 25 Winchester Street, from 10am to 4pm

For more details check out the website centralcityplan.org.nz



draft Central City Plan
August 2011 - Volume 1

Tell us what you think

INTERNATIONAL SPEAKER SERIES

Inspirational speakers from around the globe are being brought to Christchurch this weekend (27 and 28 August) to share their experiences relating to the redevelopment of cities and communities devastated by natural and human disasters.

Leading the line-up is Sir Richard Leese, who oversaw the 10-year regeneration of Manchester following the IRA bombings in 1996 and Charles Eadie, who led the Santa Cruz Gang of 36 who planned and implemented the

recovery of the central business district following the 1989 San Francisco earthquake.

Kerry O'Neill, who worked with the Victorian Bushfire Reconstruction and Recovery Authority to rebuild communities devastated by the 2009 Victoria bushfires, will also speak of her experiences, along with London-based international landscape architect Sam Martin, the director of the Broadmoor Project for New Orleans Recovery at Harvard University Douglas Ahlers and Ontario's

Deputy Minister for Energy and Infrastructure David Lindsay.

Each will talk about their experiences in rebuilding or designing communities and discuss their thoughts on the draft Plan to redevelop Christchurch's Central City.

The series is being held at the University of Canterbury's Central Lecture Theatre. There is limited seating, allocated on a first-come basis.

For further details visit the website centralcityplan.org.nz

**“
Cantabrians'
views help find a
way forward for
recovery
”**

We received really solid information from our five partner organisations, stakeholder groups and the wider community.

Roger Sutton

Cantabrians have provided a wealth of information and direction to CERA for the development of a Recovery Strategy for the region.

Last month, people were asked to give their views on the recovery of community wellbeing; the economy; the built and natural environments; and culture and heritage in the greater Christchurch area.

“We received really solid information from our five partner organisations, stakeholder groups and the wider community,” CERA Chief Executive Roger Sutton said. “A team of CERA staff are now working long hours writing the draft Strategy, so that it is ready for people to provide their feedback in September.”

In a summary of the information, it said the recovery of the built environment featured most strongly in comments from the community, with an emphasis on the

recovery of people's homes. Timely, well-communicated and fair processes were sought. Restoring sewerage and roading systems and taking the opportunity to rebuild resilient, well-planned infrastructure networks were also thought to be key.

Community wellbeing was considered crucial in the recovery effort, as were a range of community and social service responses to prevent long-term harm from quake-related issues. Mr Sutton said one of the strong themes that came through the feedback was a demand for multi-purpose community facilities and to cluster services to help build community resilience.

Tackling quake-related unemployment and job disruption was also seen as important. In general, economic recovery related to the restoration of the built environment, infrastructure and having

people back in their homes, businesses and communities. Comments were made that insurance and EQC processes could hamper economic recovery.

There was wide-ranging support for sustainable building design. Sustainability was also thought to be important in transport recovery planning, with enthusiasm for excellence in public transport, a cycling infrastructure and less dominance by cars.

There were also many submissions on culture and heritage, including a range of practical recommendations for the revival of Christchurch's vibrant performing arts scene and sporting prowess. Participation in sport, recreation and the arts were seen as having a vital role to play in the region's economic and emotional recovery.

Heritage buildings such as the Cathedral were highly valued, but people felt

there needed to be ongoing debates on the extent and timing of restoration/rebuilding efforts.

Opportunities to restore and enhance Canterbury's relationship with the natural environment were identified as growing out of the earthquakes, with economic, recreational and ecological benefits to be derived from better water management, improved air quality, restored biodiversity and better land use in line with the existing ecology.

More than 500 people attended eight community workshops across the region during community engagement on the Recovery Strategy and more than 600 people provided online and written submissions.

Information will shortly be available on when the draft Recovery Strategy will be available to view and how to comment on it.

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NEW CHRISTCHURCH CENTRE OFFERS SUPPORT AND INFORMATION FOR WORST-AFFECTED RESIDENTS

Residents worst affected by earthquakes have been finding support and information from a new Earthquake Assistance Centre set up last week at the Avondale Golf Course on the corner of Wainoni and Breezes Roads.

The centre has been opened by the Canterbury Earthquake Recovery Authority (CERA) at a central site for people from some of the worst 'quake-hit' eastern suburbs. The Christchurch City Council, the Canterbury Earthquake Temporary Accommodation Service (CETAS), Community Law Canterbury, the Earthquake Commission (EQC) and various insurance companies have representatives present at the centre throughout the week.

"The main aim of the centre is to provide information to red-zone homeowners considering government offers to buy their property," CERA Chief Executive Roger Sutton says.

"It will be a place also where a wide range of agencies and community organisations can present information, post notices and give contact details. I know from visits to the eastern suburbs that so many local groups have an ongoing and deep enthusiasm for their neighbourhoods, as well as valuable local knowledge."

The centre is headed by James Hadlee, who has long experience of community housing in various roles with both local and central government.

"We at the centre will provide just one of a number of options for people seeking information," Mr Hadlee says.

"It is important, before making any decision about the government offers, that red-zone homeowners take time to talk with their insurers and lawyers and others who can assist or have an interest in the decision. If people want to see agency representatives at the centre, they can ring 0800 RING CERA (0800 7464 2372) to make an appointment or to confirm the best time to drop in.

"The centre does not provide a dispute resolution service (for example where homeowners have problems with their insurer), nor is it a place where individual settlements can be determined. It can, however, present information for people to consider," he says.

Updates on services such as roading, sewerage and water will be given with the help of Christchurch City Council staff.

Initially the venue has opened from 10am to 6.30pm (Monday to Friday), but those hours may change.

WHO'S WHO AT CERA'S EARTHQUAKE ASSISTANCE CENTRE:



James Hadlee

James Hadlee of the Canterbury Earthquake Recovery Authority (CERA) is centre manager. Staff from Christchurch City Council, Canterbury Earthquake Temporary Accommodation Service (CETAS), Earthquake Commission (EQC), Community Law Canterbury and some insurance firms will be present also, to offer their assistance and support.

If you wish to meet with a representative of a particular organisation at the centre please ring **0800 7464-2372** to enquire when the best time to attend would be, or visit our website www.cera.govt.nz

Christchurch City Council staff will help those who wish to apply for rates rebates or who ask about infrastructure (roading, water, portaloos, chemical toilets etcetera).

The Canterbury Earthquake Temporary Accommodation Service (CETAS) helps find short-term housing for displaced people, financial assistance for those facing additional accommodation costs, and support for those needing extra assistance with day-to-day issues.

EQC and private insurers will talk about the claims process and help people understand insurance policies. Residents will get updates on timelines and insurance firm contact details to make it easier to resolve claims.

Lawyers from Community Law Canterbury will be in attendance to give free legal help including making suggestions about finding a lawyer for those who do not have one of their own.



Kaiapoi Earthquake Hub

KAIAPOI EARTHQUAKE HUB

The Kaiapoi Earthquake Hub at 24 Sewell Street was established by the Waimakariri District Council in January 2011 in response to the needs of earthquake-affected residents.

It hosts the physical and social recovery teams, Waimakariri District Council staff, the Waimakariri Earthquake Support Service (WESS) and representatives of Enterprise North Canterbury and the Canterbury Earthquake Temporary Accommodation Service (CETAS). The Council's Kaiapoi Service Centre, Fletcher EQR, some insurance companies and their project management organisations are also based at the Hub.

Open Monday through Friday, 8.30am to 4.30pm, the Hub is for all residents of the Waimakariri District. It offers a confidential environment for those who need information on earthquake recovery, including community-based services or support finding temporary accommodation and applying for financial assistance.

The WESS team is available on-site to provide a free, independent service and the support co-ordinators – who are from the local community – receive regular and ongoing training.

Support co-ordinators can be contacted on 327 5621.

Residents can find the following information and publications at the Kaiapoi Earthquake Hub:

- New Foundations newsletter
- Canterbury Earthquake Recovery Authority (CERA) supplement
- Legal advice
- Parenting tips
- Family support
- Referrals to earthquake support services
- Activities, events and recreation in the Waimakariri District
- Council information and services
- Fact sheets and publications on support available
- Fletchers EQC timelines and processes

EQC MOBILE UNIT BRINGS ASSISTANCE TO THE PEOPLE

As numbers go, they're on the large side: by 18 August 2011, EQC had received a total of 574,923 claims from 387,126 claimants for all the 2010/2011 Canterbury earthquakes. Since September EQC has made payments of \$1.38 billion for all claims, including more than \$1.2 billion in payments for building claims.

EQC Chief Executive Ian Simpson says the sheer magnitude and complexity of these claims means that a number of issues have arisen, particularly around the timely processing of claims. However, a new mobile initiative, and the establishment of a hub-based claimant clinic, looks set to provide greater clarity and surety for claimants.

"We're aware that customers are anxious about their claims and very much want to engage with us on a face-to-face basis when sorting out their claims. So we've developed a mobile unit that will operate clinics at Fletcher hubs around the city, and at the newly established Earthquake Assistance Centre at the Avondale Golf Course. EQC staff will be on hand to meet with customers who need help with processing their claims, or simply have questions or issues they'd like resolved," says Mr Simpson.

The mobile initiative follows the recent My Housing Options Expo held at the Addington Events Centre, where dealing one-on-one with an EQC staff member proved extremely helpful when identifying customers' issues and problems and helping to resolve them. Having

experienced and qualified staff out in the field also means they can work with customers on the best way to make a claim.

"Currently, there are around 36,000 contents claims that need to be settled and EQC still requires information from 78,000 claimants who have indicated that they have damage, but haven't advised us of the details of their claim by sending in a schedule. EQC staff in the mobile unit can provide a checklist that covers how to make a clear and detailed claim, as well as working alongside claimants to help them understand how the contents claims process works."

The mobile unit began operating on 22 August, a few days after the launch of the new Earthquake Assistance Centre at the Avondale Golf Course. The initial schedule of mobile unit clinics is currently being developed and will be communicated to the public via a range of channels, including local newspapers and community organisations, websites, newsletters and the media.

"Having EQC staff in the community is a great opportunity for people to come and meet us and discuss their claims. Our focus is very much on settling contents claims by the end of this year and we believe the mobile unit will help us to achieve this.

"People need to know that there is somewhere they can go to talk about their claim, face to face.

"This has been made very clear to us by the people of Canterbury and we are happy to now be able to

provide a 'face' to EQC and greater accessibility into our organisation."

Mr Simpson reminded customers that in order for their contents claims to be assessed, they should:

1. Complete the schedule of contents form, making a list of damaged items including make, model and serial number. A schedule of contents form is available on our website www.canterbury.eqc.govt.nz or through our Call Centre: **0800 DAMAGE**
2. Ensure you include your claim number on all documentation you send EQC
3. Photograph the damaged items
4. Keep damaged items of significant value (greater than \$50) where possible, in case we want to inspect them
5. Obtain quotations or valuations for items of significant value (greater than \$500). Your retailer will have records for new items you have purchased
6. Forward your valuations, quotations, receipts, photos and invoices for damaged items along with your complete schedule of contents to us

Mr Simpson encouraged homeowners to provide as much information as possible. "Things like formal valuations, receipts, invoices, copies of warranties/manuals and current replacement costs are all really helpful in helping EQC staff to process claims as quickly as possible."



EQC Mobile Unit Co-ordinator Paula McPhail and EQC Chief Executive Ian Simpson. The mobile unit will provide a 'face' to EQC and greater accessibility into the organisation.

EQC full inspection programme

Our Progress
Most households in the severely damaged categories have now been inspected.
We encourage anyone remaining in these categories to contact us by calling us on **0800 DAMAGE (0800 326 243)** to arrange an inspection.
Red Zone full inspections are now complete and Orange Zone full inspections are nearing completion.

Fletcher EQR Progress
2,520 full repairs completed
8,785 full repairs underway
21,905 emergency repairs completed
2,126 emergency repairs underway
10,055 heat pumps and solid fuel burners installed
49,480 emergency repair invoices received from homeowners

164,000 properties identified for full inspection

104,000 households with minor damage. Expected full inspections completed by mid December.

40,000 households identified as moderately damaged. Expected full inspections completed by mid September.

8,000 households identified as severely damaged and potentially over EQC cap of \$100,000 + gst

12,000 households were identified as over EQC cap during Rapid Assessment.

50,936 total number of full inspections (as at 23 August)

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RESIDENTIAL RED ZONE INFORMATION

YOUR OPTIONS

The following two options are available to you if you want to accept the Crown's purchase offer. Please note that the purchase price for Option 1 will be much higher because it includes an allowance for the value of insurance and EQC claims that will be taken over by the Crown.

OPTION ONE

The purchase price for your property (land and buildings and other improvements) is the most recent rating valuation of your land, buildings and other improvements less any deductions that might apply. Under Option 1, the Crown will purchase your land and buildings and also take over your house insurance and the EQC claims for your land and house when you sign the sale and purchase agreement.

You should keep dealing with EQC and your private insurer in relation to any contents claims not yet paid out. Also, there may be personal insurance

benefits (such as rental allowances, stress payments etc) which may be available under your private insurance policy.

While everyone's situation will differ, generally speaking, if your house has only minor damage then Option 1 is likely to be more suitable.

If, after you received your offer letter, you settle your claims for your house fully and finally with both your insurer and EQC as a total loss (e.g. beyond economic repair), you will only be able to accept Option 2.

OPTION TWO

The purchase price of your property (land and buildings and other improvements) will be the higher of:

- a) The most recent rating valuation of your land only less any deductions; or
- b) The land settlement amount that EQC eventually pays to the Crown, less any deductions

Any deductions that might apply will be decided after CERA receives information from your insurer and EQC. Under Option 2, when you sign the sale and purchase agreement, the Crown will purchase your land and buildings and take over your EQC claim relating to land damage only.

You will continue to deal directly with EQC and your house insurer for all other claims. You may wish to choose Option 2 if you consider that your house insurance would result in you being paid more for your building and

improvements than the full rating valuation.

If you take Option 2 and the amount that the Crown initially pays you for your property (i.e. your land rating valuation) is less than EQC's eventual payout to the Crown for the land damage, the Crown will pay you the difference between EQC's payment and the amount you have already received.

Right now it is not clear how long it will take in each red zone area to determine the amount of EQC land payments. It is possible that any top-up payment may be as long as two years away. It is also very hard to say if you will be eligible for any top-up.

While everyone's situation will differ, generally speaking if your house is a total loss and you have full replacement cover, then Option 2 is likely to be more suitable.

YOUR QUESTIONS ANSWERED

Q: Will there be a deposit paid and then a settlement later?

A deposit will be paid soon after the sale and purchase agreement is signed if you have a settlement date that is more than six weeks after the agreement is signed. This deposit will be the lesser of 50 percent of the purchase price less any insurance payments already received or \$50,000.

Q: Can I accept the offer as soon as I receive it? I just want to move on.

Yes, but this is an important decision so you need to consider it carefully. You must, however, use a lawyer. You cannot complete the sale and purchase agreement offer yourself.

Q: Where can I get advice?

If you do not already have a lawyer, the New Zealand Law Society website (www.lawsociety.org.nz) provides a list of property lawyers. You could also contact Community Law Canterbury (Phone 03 371 3819, or visit www.canlaw.org.nz).

The Christchurch Earthquake Appeal Fund is supporting a project to ensure information and advice is available to help you make your financial decisions. For more details please visit the www.christchurchappealtrust.org.nz website, and refer to the special section called 'My financial decisions'.

Q: Will owners be allowed to continue living in the property after settlement?

No. The Government will require vacant possession on settlement. This means that any tenancies or occupation of the property will need to come to an end prior to settlement. Settlement date, however, can be delayed until April 2013.

Q: Will the Government make a contribution toward legal fees?

To help ensure you get the legal advice you need, if you accept the offer, the Crown will meet 50 percent of the costs of your legal advice, up to a maximum contribution of \$750 for Option 1 and \$500 for Option 2. This amount will be paid to your lawyer on settlement.

Q: Who will pay rates prior to settlement?

If you accept the offer you remain responsible for the rates until ownership of the property has transferred to the Crown. This is normal practice in property transactions.

Q: Who pays for the demolition of the houses?

The Crown will as the owner under Option 1. If you choose Option 2, then the private insurance company will be responsible for the demolition costs of your house (subject to any terms in your policy).

Q: How will the offers work for chattels?

The purchase price does not include chattels and, subject to any rights of your private insurer or any other person in relation to your chattels, you will be able to remove them before settlement. For these purposes, chattels include all contents that you would normally take with you when you sell your house, and includes blinds, curtains, drapes, rugs, unfixed carpets, soft-wired or plug-in stoves and lightshades as well as garden plants and ornaments. You should talk with your insurer before removing any chattels over which you have submitted a claim for damage.

You cannot remove things from your house that would damage the house if you removed them, including all fixtures such as kitchens, floorboards, bathrooms, windows, doors, fixed floor coverings, hard-wired light fittings and stoves.

The Crown will take ownership of any chattels left on the property following the settlement (subject to any rights of your private insurer or any other person in relation to your chattels).

Q: I live in the residential red zone and I have a wood burner. If I build a new house in another part of town, can I install a new wood burner?

If you are rebuilding outside the metropolitan area of Christchurch (i.e. outside Christchurch Clean Air Zone 1), you can install a compliant wood burner. This area includes Kaiapoi, Lyttelton and the rest of old Banks Peninsula District, the rural fringe of Christchurch city, Pegasus town, Rangiora, Lincoln, Prebbleton and Akaroa. Depending on where you build, you may need a resource consent from Environment Canterbury. If you are rebuilding in metropolitan Christchurch (in Christchurch Clean Air Zone 1), you will not be able to install a wood burner in your new home.

Q: If EQC has paid for emergency repairs and now the place is zoned red - will that be taken off the offer amount?

No. Provided that the payment from EQC was spent on repairs, or it was less than 5% of your most recent rating valuation, your purchase price should be the most recent rating valuation of your property.

Q: What will happen where property owners have already received insurance/EQC payments for repairs?

Deductions that may be made from the rating valuation to set your purchase price include any insurance payments you have already received. This will only apply if you have received payments that:

- You have not spent on repairs to your house and land or
- Are in total more than 5 percent of your most recent valuation

GLOSSARY OF TERMS

CERA = Canterbury Earthquake Recovery Authority

EQC = Earthquake Commission

ISO = Insurance & Savings Ombudsman

Crown = the Government

Insurer = the insurance company that your house is insured with

Rating valuation (RV) = contains all the key information for a property, including the capital value (that is, the sum of the land value and the value of improvements such as a house), floor area, and property age

Tenancies = where people have a right to occupy a property (whether exclusively or otherwise) and pay some form of rent

Warranties = an assurance or promise by one party to another party that specific facts or conditions are true or will happen

Apportionments = distribution of proper shares. For example, an owner pays the rates on her house for the next three months, but she sells the house after one month. As part of the settlement, the rates would be apportioned so the owner had to pay one month's rates, and the buyer has to pay for the other two months of rates. As the rates were paid by the owner for three months, the buyer pays the owner for the two months of rates

Invalidate = to make invalid, to weaken, undermine or cancel

Chattels = house contents that are not fixed such as curtains or drapes, blinds, soft wired (i.e. plug-in) and freestanding stoves, unfixed flooring and light shades

Replacement cover = a type of insurance policy under which an insurance company will replace a lost or destroyed item with a new one, or repair the item so it is as new as practically possible

Within statutory time limits = the date or number of days stated in an Act or Regulation by which some action must be taken

Top-up payment = once the Crown has purchased a property, if the Crown then receives (as the new owner) a payment from EQC that is greater than the price that the Crown paid for the property, it is the amount above the original purchase price and the Crown pays it to the person who sold the property to the Crown

Insurance entitlements = what you have a right to receive under the terms of your insurance policy

Dispute resolution mechanisms = a set of processes for resolving disputes

Unit title = a unit owned by an individual that is part of a community of individuals (known as a body corporate) where each individual owns a unit and the community together owns the common property

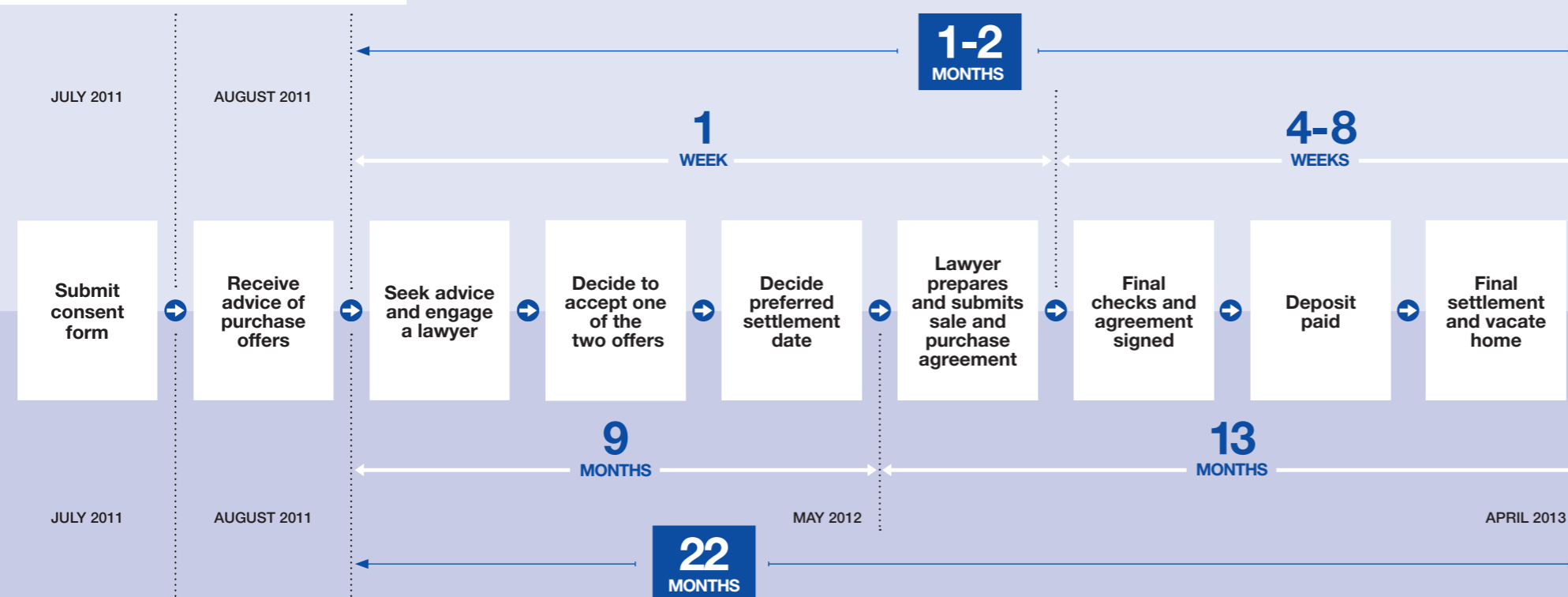
Cross lease = where, on one land title, there are several flats/houses that are each owned by a different person and together all those different persons own the land that the flats/houses are on; and they each lease the land that their own flat/house is on from all the other owners

Time Guide to your settlement

PROCESS MAY SLOW BECAUSE:

- EQC and insurers delay providing information about claims
- Banks don't provide agreement to sell i.e. discharge mortgage
- Lawyers taking time to prepare agreements
- Properties where several parties need to agree to sell
- Complications with unit titles and cross leases

Minimum estimated time to complete transaction where all required information is provided in a timely way



Maximum time period to complete transaction

IMPORTANCE OF TAKING TIME:

- Extremely important decision to make
- Need to take appropriate advice
- Need to work out next step
- Need to fully understand insurance entitlement
- Need to understand which option will benefit you the most