



Working to reduce the impact  
of natural hazards on people,  
property, and the community.



# **On-sold support package Homeowners' Guide: Information to help eligible Canterbury homeowners**

**The Government has asked the Natural Hazards Commission Toka Tū Ake (NHC) to make changes to the On-sold support package to help eligible on-sold homeowners progress through the programme. This document was updated in November 2024 to reflect these changes, please read it carefully as it contains new information.**

The information in this document is for Canterbury homeowners who have applied, and been advised they are eligible, for ex gratia payments from the Government's On-sold support package (On-sold programme). It provides an overview of the steps your application will take as you move through the programme. We recommend reading this alongside the Process guide and timeframes.

It covers all the important things you need to know or do, including selecting a licensed builder and any other specialists you need; getting damage assessments and quotes; and ensuring repairs are completed to the standard set out in the Earthquake Commission Act 1993 (the EQC Act), which was the legislation in place at the time of the Canterbury earthquake sequence.

There's also information about the process and timelines for settlement offers and ex gratia payments.

This work is important. We want to see earthquake damage to properties repaired as soon as possible so that homeowners in the programme can move on.

## **We're here to help you.**





Please read this information carefully and if you have any questions, contact your settlement specialist.

### **Ex gratia payments explained**

An ex gratia payment is not an insurance payment or entitlement. It is a payment that is made without legal obligation or acceptance of liability.

## On-sold programme process

There are four stages to the programme:

-  **1. Pre-settlement: engagement, assessment, costed scope of works**
-  **2. Settlement: making and accepting your offer**
-  **3. Post-settlement: receiving payment and completing your repairs**
-  **4. Completion**

Each phase is outlined below along with the steps needed to progress to the next stage of the programme.

Please read through each step to ensure you are aware what needs to be happen within each stage of the process and the timeframes associated with this.

Your settlement specialist will contact you regularly for an update on your progress, but you can also contact them any time you need to.

Please put plans in place now so you can meet the upcoming deadlines. If you do not meet these timeframes, we will have a conversation with you and move to close your application. Once applications are closed, they are unable to be reopened.

Please note that it is important to seek agreement and confirm costs with your settlement specialist before engaging other specialists through the process.

# 1. Pre-settlement: engagement, assessment, costed scope of works

## New timeframes apply

- You have **20 business days** to provide your pre-settlement expert reports, such as an engineer's report, which confirm the extent of the earthquake damage.
- Once the extent of the damage has been confirmed by us in writing, you have a further **40 business days** to provide your costed scope of works – the plan for how the repairs will be completed.

Please put plans in place now so you can meet the upcoming deadlines. If you do not meet these timeframes, we will have a conversation with you and move to close your application. Once applications are closed, they are unable to be reopened.

The On-sold support package programme is homeowner-led. That means you engage your own contractors to carry out repairs to your home and are responsible for working with your builder to make sure those repairs are completed properly.

It's important you hire qualified experts, such as structural and geotechnical engineers, builders and architects, who can help you gather the information you need. Make sure you're comfortable with the people you engage and confident they will provide the right information for your situation.

If you feel unable to oversee this process yourself or would like professional advice, we recommend you engage an independent project manager to support you. There is a limit on the pre-settlement project management costs that we can pay, so please talk to your settlement specialist about your circumstances and options.



## Engagement: finding a licensed building practitioner

One of the first things you'll need to do is choose a licensed building practitioner (builder) with the skills and expertise to identify earthquake damage and complete repairs on your home. They'll lead the repairs, manage the process, and ensure repairs are completed properly.

Licensed building practitioners have been assessed by the Ministry of Business, Innovation and Employment (MBIE) as competent to carry out building work essential to the structure of residential buildings. A good place to find one is the [Licensed Building Practitioners](#) (LBPs) website.

Your builder will:

- assess the earthquake damage to your property, propose an appropriate repair strategy (in conjunction with advice from your structural engineer, if required) and provide a detailed quote to complete those repairs
- lead the repair work on your property
- manage any necessary specialists or sub-contractors (such as engineers, electricians and plumbers) on your behalf, making sure they have relevant qualifications and current licences (e.g. trade qualifications for electricians, gas fitters and plumbers)
- sign off the completed work.

If you're unsure if a particular builder is right for you, we recommend you ask them for references and talk with previous clients about what they were like to work with and the quality of their work.

We also recommend you ask your builder about the sub-contractors they'll be engaging and double-check they have the relevant qualifications.



## Assessment: getting your property assessed

### New timeframes apply

You have **20 business days** to provide your pre-settlement expert reports, confirming the extent of the earthquake-related damage.

Please put plans in place now so you can meet the upcoming deadline. If you do not meet this timeframe, we will have a conversation with you and move to close your application. Once applications are closed, they are unable to be reopened.

Repairs must bring your home up to the standards of the EQC Act. This means replacing or reinstating property to a condition substantially the same as, but not better or more extensive than, its condition when it was new. These repairs also need to comply with any current building legislation. To determine the repairs needed to bring your home up to the standards of the Act, and the cost of those repairs, you'll need to provide us with an assessment from your builder confirming the extent of the earthquake damage.

Your builder may indicate you also need an expert report(s) from a specialist, such as a structural or geotechnical engineer, as part of your damage assessment. If this is the case, you'll need to engage a qualified expert to compile this.

[Engineering New Zealand's](#) website has useful information on choosing an engineer, plus a template for engaging an engineer, and the professional standards expected when assessing earthquake damage.



## Costed scope of works: information we need to receive

### New timeframes apply

Once the extent of the damage has been confirmed by us in writing, you have **40 business days** to provide your costed scope of works.

Please put plans in place now so you can meet the upcoming deadline. If you do not meet this timeframe, we will have a conversation with you and move to close your application. Once applications are closed, they are unable to be reopened.

The scope of works outlines the relevant earthquake damage that needs to be repaired and the method and cost of those repairs. Once we have agreed the extent of the earthquake damage in writing, your builder needs to provide a scope of works that outlines the method and cost of repairs for resolving the agreed earthquake damage.

Here's what your builder should include in their costed scope of works:

- Assessments and quote(s) should clearly state what their content is based on. This includes inspections and assessments that have been done, when and by who, as well as other supporting information, any assumptions and clarifications.
- Elements and rooms should be separated. All items being repaired should be clearly defined with transparent descriptions and measurements.
- Large structural elements should be priced in detail and include adequate descriptions and measurements. They should be specific to the scope of work, engineer's report (if relevant) and site conditions.
- Ensure your builder includes details about what all costs relate to. Quoted items with no detail other than a general heading (e.g. 'general requirements') and a cost will not be acceptable.
- Sub-contractor quotes: any sub-contractor quotes should also be itemised and included in the main builder's quote for all repairs.
- Professional fee costs should be individual and transparent. These should not be grouped together as a lump sum (e.g. there should be separate costs for engineering design, building consents, construction monitoring).



Ensuring your builder's quote(s) includes all these things will help avoid delays in our initial assessment and settlement, as well as the potential for variation requests and construction delays.

The reasonable cost of specialist reports needed to determine the repair strategy for your home will be covered under the On-sold support package. This includes reports such as:

- structural engineering
- geotechnical engineering
- roofing
- drainage
- asbestos
- cladding

If we already have information from you on file, including assessments for the earthquake damage, repair costs and specialist reports, we may be able to progress to settlement sooner, following a discussion with you to agree on the extent and cost to repair the earthquake damage.

## **Talk to your settlement specialist if you wish to make additional improvements**

The programme only covers the works required to repair missed earthquake damage, but does have an option for co-funding. If you wish to make additional improvements to your property at the same time, or you prefer to use your settlement to rebuild rather than repair, you must pay the extra costs yourself.

If you want to undertake any owner's works or extra renovations in addition to your repair, this needs to be specified, but separated in your builder's (and any other professional's) quotes.

Please discuss any co-funding with your settlement specialist to understand what this may mean for your settlement. You can also find more information in our Additional Works Factsheet.



## 2. Settlement: making and accepting your offer

The settlement stage is where we review your costed scope of works, and make you a settlement offer, which is the amount the programme can provide you to complete your repairs.

### Costs reviewed and confirmed

Once you've provided the information from your builder and other experts, your settlement specialist will review it and make time to talk you through the process for settling your application. This may include a walk-through of your property with your builder and any other experts that might be required to agree the scope of work.

We want to confirm a settlement with you as soon as possible, so we need to receive your builder's assessment and quote(s), and any specialist reports, within the timeframes provided.

Your settlement specialist and our quantity surveyor will review your quote(s) and may have some questions for your builder. We'll send these to you to discuss with your builder or organise a time to discuss them with you and your builder together.

Once your scope of works has been confirmed, we will let you know and start to prepare your settlement offer, this will include our internal review of the costs. While we are preparing your settlement offer, your builder can begin any design and consent preparation work needed. It's important they keep this process moving so that there will be plenty of time to meet the new timeframes.



## Your settlement offer

We will review your builder's quote(s) and any information you provide around temporary accommodation, storage requirements and costs, and provide you with a settlement offer.

This offer will include:

- **A detailed breakdown of the costs** included in your settlement
- **A Settlement Deed** providing the details of the earthquake remediation to your property that must be completed (agreed works)
- **A Statutory Declaration** that confirms that you will use the ex gratia payment to do those agreed works. This means that you will have a legal obligation to complete the works even if your circumstances change
- **Documentation for an encumbrance** to be placed over the title of your property, if required, and removed once the repairs have been completed.

## Acceptance: reviewing and accepting your settlement offer

### New timeframes apply

When you receive your settlement offer, please review the information provided (including seeking legal advice), and return your signed Settlement Deed and Statutory Declaration within 30 business days from the date of offer.

Please put plans in place now so you can meet the upcoming deadline. If you do not meet this timeframe, we will have a conversation with you and move to close your application. Once applications are closed, they are unable to be reopened.

Please seek legal advice and accept your settlement offer as soon as possible within the 30 days.



## **On-sold payments must be used as intended**

You are legally required to use your On-sold settlement to repair your home, as outlined in the Settlement Deed.

The ex gratia funds are for repairs or reinstatement of residential property only.

Ex gratia payments are payable to you as the On-sold applicant and homeowner of the property. You must remain the homeowner of the property throughout the settlement and repair process to be eligible to receive an ex gratia payment. Should you wish to sell your property prior to completing the repairs, please contact your settlement specialist to understand what this might mean for you.

## **Settlements over \$150,000 (placing an encumbrance on the Record of Title)**

If your On-sold ex gratia payment is more than \$150,000, an encumbrance will be registered on the Record of Title with Toitū Te Whenua Land Information New Zealand (LINZ). An encumbrance is a claim registered against the title of your property. It means anyone who requests a copy of the property's title from LINZ will see that there is an encumbrance registered and will know earthquake repairs have not yet been completed.

An encumbrance may also apply where cost increases or a variation to your agreed works pushes you over the \$150,000 threshold. If that happens, we'll provide you with a variation to your Settlement Deed to reflect this.

For more information about an encumbrance, please see the Encumbrance Factsheet.

## **Your local council's property file**

We'll provide details of the agreed scope of works for your repairs to your local Council. This will be held as part of your local Council's file for the property.

## 3. Post-settlement: receiving payment and undertaking your repairs

### **New timeframes apply**

You have six months from when your Settlement Deed has been signed by all parties to start construction.

Please put plans in place now so you can meet the upcoming deadline. If you do not meet this timeframe, we will have a conversation with you and move to close your application. Once applications are closed, they are unable to be reopened.

Once you have received your approved consent documentation from your local council (if applicable), please provide this to your settlement specialist, along with the intended start date of your project. This date will need to be re-confirmed once your project has started.

It's important that you keep us aware of key information, such as project timeframes, so that we can continue supporting your repair progress and ensure your ex gratia payments are there when you need them.

## **Receiving your payment**

### **Information we need to pay you**

You'll need to give your settlement specialist the following information so that we can pay you correctly:

- a pre-printed bank deposit slip with your account name and number, or
- a bank statement showing your account name and number.

For tax purposes, we need to confirm whether you are GST registered for your residential property. GST may apply if you own your home as a company.



## You will receive tranche payments

Payments will be administered in tranches depending on the value of your settlement. These payments will be detailed in your Settlement Deed. Each tranche will also include the individual conditions to receive the payment.

Any entitlement you have under the EQC Act will be paid separately.

## Obligations on your payment

- **Tax:** you may have GST obligations. If you do, or are unsure, please seek advice from a tax advisor.
- **Your bank:** because this is an ex gratia payment, we're not obliged to pay your mortgagee, but you might have some obligations with your bank and we recommend that you talk to them. You'll need to share the details of the repair or rebuild contract with them so that they know when they'll need to release any funds currently sitting against your mortgage.

## Starting your repairs or rebuild

### New timeframes apply

All repairs must be completed in line with the agreed scope of work and need to be started within six months of your Settlement Deed being signed by all parties.

Please put plans in place now so you can meet the upcoming deadline. If you do not meet this timeframe, we will have a conversation with you and move to close your application and seek recovery of any amounts already paid to you. Once applications are closed, they are unable to be reopened.



## **We want people to live in safe homes**

We recommend you review your build contract and discuss key milestones, such as progress payments and key handovers, with your builder before the work starts. This is to ensure you both agree to the terms of these milestones.

All repairs must be completed to the standard required under the EQC Act. This means that repairs must replace or reinstate the building to a condition substantially the same as, but not better or more extensive than, its condition when it was new. Repairs must also comply with current building legislation.

You're responsible for working with your builder to make sure repairs are completed to this standard. You'll need to ensure you are satisfied with the quality of their work and that the repairs comply with council regulations and other laws.


NHC may require access to your property at certain stages of your repair or rebuild to review progress. These site visits will help NHC to confirm the stage you are at so that tranche payments are released to you at the right time.

## **If you have concerns about the work on your home**

If you have concerns about the standard of work on your property, or any issues with your builder or other parties you've engaged, you'll need to raise your concerns with them directly.

The Licensed Building Practitioner and Building Performance websites provide helpful guides on how to do this.

You can also find out more about consumer protection measures and how to ensure there are no surprises between you and your builder in the Ministry of Business, Innovation and Employment's (MBIE) booklet, *Know your rights - A homeowner's guide to the consumer protection measures when building or renovating* (see Useful resources).



Here are some things to keep in mind to protect yourself as a homeowner:

- Ensure you have a written contract with your builder so everyone understands their obligations, requirements and expectations.
- Before you sign a contract, ask your builder to give you information about their skills, qualifications, licensing status and the insurance or guarantees they provide (it's called a disclosure statement). Also ask for a checklist that outlines the stages of the build and how to protect yourself.
- Once the building work has been completed, your builder must give you certain information or documents related to the building work. These include ongoing maintenance requirements, guarantees or warranties, and any ongoing insurance policies.
- You have an automatic 12-month defect repair period when builders must fix any defects you've told them about in writing. Because the repair contract is between you and your builder, the On-sold support package does not cover you during this time.
- You can take action for up to 10 years if warranties in the Building Act have not been met, even if they're not in your contract (they're called implied warranties).
- Licensed builders can be fined if they don't comply with the law.

## 4. Completion: closing your application

### Final tranche payment

If your quote included any provisional sums and/or sub-contractor quotes, you will need to provide invoices to your settlement specialist prior to receiving the final tranche payment.

Once you have received your final tranche payment from NHC, your application will be closed.

### Removing an encumbrance

If you had an encumbrance lodged against your property title, the encumbrance will be removed once the agreed repair or rebuild has been completed and you've sent us the documentation confirming this.

This documentation includes Producer Statements signed by your builder and other experts engaged in the repairs, such as structural engineers, electricians and plumbers. These statements confirm work has been done in line with the design specifications and agreed works. Where the works require a building consent, the documentation will also need to include a Code of Compliance Certificate.

You'll need to instruct your own lawyer to manage the process for registering and removing the encumbrance with LINZ. We'll cover the reasonable legal costs for registering and removing the encumbrance as part of the settlement payment.



# Useful resources

- **On-sold over-cap properties section** on the NHC website has more information about the programme.
- **[Know your rights booklet](#)**: Information for homeowners and licensed building practitioners, outlining your rights and how to rebuild with confidence.
- **Licensed Building Practitioners website**: Licensed builders assessed as competent to carry out building work essential to the structure or weathertightness of residential buildings. Includes a directory of licensed building practitioners. [Visit the website](#) or call 0800 60 60 50.
- **Building Performance website**: Information from the Ministry of Business, Innovation and Employment (MBIE) around the building process, what to expect and how to manage a building project. [Visit the website](#) or call 0800 24 22 43.
- **Engineering New Zealand's public tools**: New Zealand's largest professional body of engineers has provided guidance, from finding an engineer to addressing concerns and specific consideration for earthquake repairs. [Visit the website](#) or call 04 473 9444.
- **Local Canterbury Councils**: Environment Canterbury has a list of local councils in the Canterbury region. [Visit the website](#) or call 0800 324 636.

## For more information

- Visit [www.naturalhazards.govt.nz](http://www.naturalhazards.govt.nz)
- Call 0800 DAMAGE (0800 326 243)
- Write to Natural Hazards Commission Toka Tū Ake via [info@naturalhazards.govt.nz](mailto:info@naturalhazards.govt.nz) or PO Box 311, Wellington, 6140

If English is not your first language you can ask us for an interpreter, at no cost to you, by calling Natural Hazards Commission Toka Tū Ake on 0800 DAMAGE (0800 326 243) or request a translated version.