

# Media Release

## Red zone offers a roaring success

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A major milestone has been reached in the offer and settlement process for residents in the residential red zone as the one year anniversary of the programme approaches, Canterbury Earthquake Recovery Minister Gerry Brownlee says.

"Our first land zoning decisions were made on 23 June last year, and the first offers were sent to red zoned residents in August.

"This week our 5000<sup>th</sup> property owner signed a sale and purchase agreement with the Crown, meaning 70 per cent of those in the residential red zone have chosen an offer.

"I'm very pleased so many families in suburbs deemed unsuitable for residential occupation because of earthquake damage are swiftly moving on with their lives to a positive future," Mr Brownlee said.

Insured owners of the 7253 properties in the residential red zone have been given two offers:

**Option 1** – the Crown will pay the most recent rating valuation for land, buildings and fixtures and take over all insurance claims for damage to the property.

**Option 2** – the Crown will pay the most recent rating valuation for the land and take over the owner's EQC claim for land damage only. The property owner retains the benefit of all other insurance claims and will continue to deal with EQC and their insurer to settle those claims.

Consent forms which allow the Crown to access information enabling an offer to be made have been returned to the Canterbury Earthquake Recovery Authority (CERA) by 6570 owners of the 7253 properties zoned red.

Of the 5054 property owners to sign a sale and purchase agreement to date, 1155 have chosen option 1, and 3899 have chosen option 2.

And of those who have signed an agreement, 3956 have already concluded settlement, at a cost to the Crown of \$762 million.

"The red zone offer is fair and will allow families to rebuild on safe land with the confidence they would not suffer the same effects in similar quakes," Mr Brownlee said.

A number of properties are not subject to the voluntary Crown offer, such as 212 Housing New Zealand Corporation properties in the residential red zone and the uninsured. Announcements regarding how the Crown deals with other properties, including Housing NZ homes and the uninsured, will be made as these policy decisions are taken.

This announcement was originally published on [cera.govt.nz](http://cera.govt.nz) and [beehive.govt.nz](http://beehive.govt.nz)

Owners of red-zoned properties have 12 months from the date on their offer letter, or until the 31 March 2013 (whichever comes first) to accept the offer by submitting a signed agreement for sale and purchase to the Crown by their lawyer. The final date they can select to settle with the Crown is 30 April 2013.

The most recently rezoned residential land – South New Brighton and Southshore West – have different dates. Those insured land owners have 12 months from the date on their offer letter or 31 May 2013 (whichever comes first) to accept the offer via their lawyer. The final date they can select for their settlement is 30 June 2013.