



**Future of Severely Affected Locations**  
(FOSAL)

# Voluntary Buy-out & Relocation Programme

FAQs

## Providing answers to your questions

These FAQs have been developed to support eligible landowners to make decisions about their Category 3 properties.

The FAQs should be read in conjunction with the Future of Severely Affected Locations (FOSAL) Voluntary Buy-out and Relocation Programme Guide.

Additional information is available from the Wairarapa Recovery Office:  
**[recovery@mstn.govt.nz](mailto:recovery@mstn.govt.nz)**

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# Process

## 1. What is the process for the buy-out and relocation programme?

The FOSAL Voluntary Buy-out and Relocation Programme includes the following key steps:

- **Initial meeting:** This is a meeting for landowner(s) with Masterton District Council (MDC) representatives to discuss the overall process and buy-out/relocation options and gather information for the valuation process.
- **Valuation process:** Landowners can select a valuer from the independent valuation panel. The valuer will arrange a time to visit the property and a valuation will be prepared, based on the market value of the dwelling or property as at 13 February 2023.
- **Insurance review process:** As part of the voluntary buy-out and relocation programme, an independent insurance advisor will assess the insurance claim status and any proposed or actual settlements for landowners who opt-in to the programme. This is a free service for landowners to ensure insurance claim settlements are fair and reasonable, ahead of any MDC funding being provided.
- **Relocation process:** Landowners wanting to investigate the relocation grant option need to gather information and costings about the feasibility and logistics of relocating a dwelling to another part of their property that is not Category 3 land.
- **Offer process:** MDC will present landowner(s) with an offer related to the buy-out or relocation option they have chosen. The offer will remain open for three months.
- **Settlement process:** The timeframe and terms and conditions of settlement will be outlined in the offer agreement. The standard timeframe for settlement will be up to three months. This may be extended to up to six months at the MDC's discretion if required and where MDC and landowners agree.

More information about each of these steps is outlined in the FOSAL Voluntary Buy-out and Relocation Programme Guide.

## 2. Who can attend meetings to discuss the buy-out and relocation process?

It is preferable that all owners of an eligible property attend the initial meeting to discuss the buy-out and relocation programme and the options that are available. In addition, you may want a professional advisor (such as your lawyer) or other support people at the meeting.

## 3. What happens if I don't like any of the available options?

The buy-out programme is a voluntary programme. You do not have to participate or accept the options available to you.

Whatever you decide to do, your land will remain categorised as Category 3.

We recommend you seek independent advice from your insurance company and/or bank about the impact a Category 3 categorisation may have on your current and future insurance and mortgage.

## 4. Will MDC contribute to my legal costs if I don't accept the final offer?

Yes, MDC will contribute to legal costs, regardless of the outcome, as part of our approach to support landowners through this process.

MDC will reimburse you up to \$4,000 (excluding GST) for professional legal advice related to the buy-out or relocation process. This will be paid at the time of settlement or earlier if appropriate. You will need to provide copies of invoices for legal advice for them to be reimbursed.

# Valuation

## 5. Who is on the valuation panel?

The valuation panel is made up of:

- a Valuation Manager, who will oversee the process and peer review all valuations that are done
- at least three independent valuers that landowners can choose from to undertake the valuation of their property.

All valuations will be done in line with the Property Institute of New Zealand Professional Practice Standards as adopted at the date of valuation, and the International Valuation Standards (IVS) 2022.

## 6. Can I get another independent valuation done?

You can get a valuation from another valuer, but you will need to cover the cost for this. In addition, MDC will not be bound to accept a valuation done by another valuer.

## 7. What happens if I think there is an error with the valuation?

If you have any queries or think there is an error with your valuation, you can raise this with the Valuation Manager. This needs to be done before an offer is made.

## 8. If there are different valuers involved in the process, how do you ensure the valuations are being done in a fair and consistent manner?

The independent valuation panel includes a Valuation Manager who will peer review all valuations to ensure fairness, consistency and the integrity of the valuation process.

## 9. If I consent to getting a valuation done, does this mean I'm committed to accepting the offer?

No, you can choose to opt-out at any time during the process, up until you accept an offer agreement.

# Insurance

## 10. What will happen if I have already settled my insurance claim?

As part of the voluntary buy-out and relocation programme, an independent insurance advisor will assess the insurance claim status and any proposed or actual settlements for landowners who opt-in to the programme. This is a free service for landowners to ensure insurance claim settlements are fair and reasonable, ahead of any MDC funding being provided.

The insurance adviser can still independently review claims that have been settled. There is an option to involve the Claims Resolution Service if claim settlements are considered to not adequately reflect the level of property damage experienced, and discussions between the advisor and your insurance company are not agreed to a mutually satisfactory standard.

## 11. What will happen to the insurance/ EQC payments I have already received?

Under the Property and Residential Purchase Offers outlined in the FOSAL Voluntary Buy-out and Relocation Programme Guide, all insurance payments for damage to your property that have already been paid directly to you by your insurer will be deducted from the purchase price. This includes any specific payments to cover the cost of demolition.

## 12. What will happen if I have already spent some of my insurance claim on repairs?

If you have already undertaken repairs using proceeds from your insurance, MDC will not deduct these from the purchase price. You will need to provide evidence of the work completed, such as receipts for repairs or reinstatement to your dwelling, to show these were undertaken in good faith.

## 13. What happens if I have full replacement insurance that is worth more than the market value of the property?

**Option one:** Property Purchase Offer: If the value of your insurance claim settlement is more than the market value of your land, house and improvements:

- you keep your insurance payments for the house and improvements
- MDC will pay you the market value of your land less any EQC payments
- if your insurance claim settlement includes a payment for demolition, this will need to be paid to MDC.

**Option two:** Residential Purchase Offer: If the value of your insurance claim settlement is worth more than the market value of your house and improvements:

- you keep your insurance payments
- MDC will pay you the equivalent market value of 800m<sup>2</sup> of land around the dwelling(s)
- if your insurance claim settlement includes a payment for demolition, this will need to be paid to MDC.

## 14. What will happen if I am in dispute with my insurance company over my claim?

You are entitled to pursue all your insurance claims and any rights that you may have under your insurance policy. All claims with your insurer must be resolved before MDC is able to make an offer.

As part of the buy-out and relocation programme, MDC has an independent insurance advisor to review insurance claims and any settlements for landowners that opt-in to the programme.

The advisor can provide advice to assist in agreeing a settlement with your insurance company or assess whether it is appropriate to involve the Claims Resolution Service.

## 15. What will happen if I don't have insurance? Am I still eligible for an offer?

If you did not have insurance on your residential dwellings as at 13 February 2023, you are still eligible for an offer. This is because the purpose of the buy-out programme is to remove the risk to life associated with people living on Category 3 land.

Provided you had a residential dwelling on your Category 3 land on 13 February 2023, you are entitled to an offer. This will be a different offer to what is offered to landowners who had insurance at this date. This is to ensure equity between people who were insured and those who were uninsured. Check the programme guide for more details.

# Buy-out offers

## 16. How will buy-out offers be made?

MDC has appointed The Property Group (TPG) as its representatives in the voluntary buy-out process.

If you are eligible for a Property or Residential Purchase Offer, a TPG representative will work through the buy-out process with you.

Once the valuation, insurance review and any additional processes are complete, an offer will be presented for you to consider.

## 17. What needs to happen before a buy-out offer can be made?

The following things need to happen before a buy-out offer can be made:

- A preliminary meeting has been held with you, any other owners of the property, and MDC representatives.
- The valuation process has been completed.
- If you are insured, an MDC-appointed independent insurance advisor has reviewed your insurance claim and any required follow up actions have been taken.
- Following the point above, your insurance claim has been settled with your insurance company.

## 18. How long will I have to decide whether to accept the offer?

You will have three months to accept (or decline) the offer from the time the offer is made. This timeframe may be extended if progress is being made towards an agreement.

We encourage you to seek legal advice and any other support required to assist you in the decision-making process.

## 19. Do all Category 3 property owners have to opt into the buy-out programme for it to be implemented?

No. The process is voluntary and offers will be made on an individual basis.

## 20. If I have a mortgage on my property, will MDC pay me or my bank?

As is typical for the sale of a property, MDC will make its payment to your solicitor who will make any payment owing to a security holder (e.g. your bank if you have a mortgage) before paying any remaining amount to you.

This does not apply to payments made towards legal costs - these will be paid directly to you.

If you have a mortgage, it is important that you talk to your bank (or financial institution) to understand what is required under your mortgage agreement.

# Relocation

## 21. What do I need to consider when assessing the feasibility and calculating the cost of relocating dwellings on my property?

If you are interested in relocating one or more dwellings on your property, the following are some important things you need to consider and investigate:

- whether the dwelling(s) can be relocated to another location on the property and the costs associated with doing this
- the suitability of the land the dwelling would be relocated to (a geotechnical report would be required to fully assess this)
- whether services (i.e. power, water, sewerage) could be installed at the new location
- what building and resource consents would be required and the timeframe and costs for these.

This is not a full list of the things that need to be considered as part of the relocation process. This is because each property relocation will be different. We suggest you seek advice from an independent expert in property relocation.

## 22. Who can help me assess whether my dwelling(s) can be relocated?

We suggest you engage independent experts to help with assessing the feasibility and costs associated with relocating dwellings on your property.

This is likely to include:

- a house-moving company
- utility providers
- a geotechnical engineer
- other experts depending on the proposed site.

## 23. If I decide to go ahead, how will the relocation process work?

An MDC representative will discuss the relocation process with you. More information about the process and the funding to support this is outlined in the FOSAL Voluntary Buy-out and Relocation Programme Guide.

## 24. How long will I have to relocate dwellings to another part of my property that is not Category 3 land?

If you have an agreement under the Residential Relocation option, the date for undertaking the relocation will be included in the agreement document. This will be a mutually agreed date with MDC that is done within a reasonable timeframe.

The standard completion timeframes for a relocation are outlined in the FOSAL Voluntary Buy-out and Relocation Programme Guide.

## 25. If I take the Residential Relocation option and retain my land, what can I do with it?

If you accept the Residential Relocation option to relocate your dwellings to another part of your property, you will no longer be able to use any Category 3 land for residential purposes. You can still use the land for other uses e.g. grazing.

# Settlement

## 26. When do I have to move out of my house?

You will need to move out of your house by the settlement date. The mutually agreed settlement date will be recorded in the purchase agreement and is the date that MDC will pay for and become the owner of your property and/or dwelling and improvements.

The standard settlement date is up to three months from the date of the agreement. This can be extended to six months where required, if you and MDC agree.

## 27. What can I take with me?

You can take all your possessions and chattels with you.

Chattels are items that are not attached to your land or the buildings on your land and can be removed without causing damage to your property. They typically include blinds, curtains, drapes, unfixed carpets and rugs, ovens and stoves that are soft-wired or plugged into the wall, light shades and light fittings, household furniture, garden plants, plant pots, sheds and ornaments.

The buy-out programme Property and Residential Purchase Offers include the dwelling and all residential improvements. These may not be removed unless it is part of the agreement between you and MDC.

## 28. What will happen to my property after settlement?

Where MDC is buying the whole property, clearing of the property will begin as soon as is practicable after the settlement date. This is important for safety and security reasons. This means the dwelling and any residential improvements will be demolished (or relocated) and the site reinstated.

Where MDC and the landowner(s) have reached a Residential Relocation agreement, the dwelling(s) will be relocated as soon as possible and the site reinstated.

Reinstatement does not include removing all the silt from a site or otherwise clearing it to make it suitable for non-residential purposes. This remains the responsibility of the owner of the land.

## 29. Will MDC put a covenant on my land?

If your property has been categorised as Category 3 and you accept an offer, a covenant will be put on your property to prevent it being used for residential use in future. This includes by future owners.

## 30. Who will pay the costs of clearing my property and removing any buildings?

Under the Property and Residential Purchase Offers, MDC will cover the costs of removing dwellings and clearing a property. If your insurance claim settlement includes a specific payment for demolition, this and all other insurance payments will be deducted from the purchase price.



## Advice & support

### 31. What support will MDC provide during the buy-out/relocation process?

An MDC representative from The Property Group will work with you during the buy-out or relocation process. In addition, the Wairarapa Recovery Office is also available to provide advice and support.

You are encouraged to seek legal advice and any other additional support you require during the process. MDC will reimburse you for legal advice up to \$4,000 (excluding GST) to ensure you are able to access this.

Other support includes:

- Call/text 1737 anytime for mental wellbeing support and advice.
- Contact East Coast Rural Support Trust: phone 0800 787 254 or visit [www.rural-support.org.nz](http://www.rural-support.org.nz)
- Talk to your family doctor or practice nurse.

## Disputes & appeals

### 32. Is there a dispute and appeal process available?

If you believe the FOSAL Voluntary Buy-out and Relocation Programme Guide has not been adhered to or implemented in good faith, you can request a review of your case by MDC's Chief Executive or their delegate.

A review will be completed within four weeks of receipt of a written submission and the outcome will be communicated to you directly.

More information is outlined in the guide.

# Relocation process

## Information, valuation & insurance review phases

- Initial meeting for landowners and MDC to discuss overall process and options available.
- Landowner completes an application form for the relocation option.
- Valuation and insurance review phases as outlined on the Voluntary buy-out flowchart.



## Stage 1: Feasibility & consenting stage

**Feasibility:** Funding contributed for landowner to engage experts to deliver:

- Building and site report – to confirm dwelling is sound and able to be relocated.
- Geotechnical report – to confirm suitability of relocation site.
- Utility and services report – to confirm these can be installed on relocated site.
- Project plan – confirming indicative timeframes and costs.
- Financial viability – confirmation that owners have financial means if cost above total grant.

**Consenting:** Funding contributed for landowners to obtain the following:

- Building design plans for relocation.
- Building and resource consents.



## If feasibility/consents approved Stage 2: Relocation stage

Funding contributed towards costs of:

- Relocating dwelling.
- Installing services.
- Any other approved costs associated with relocation.



## Stage 3: Completion stage

Any final funding contribution would follow the Code Compliance Certificate and confirmation that resource consent conditions have been met.



## If feasibility/consents not approved

- Landowner has the option to apply for the Voluntary Buy-out Residential Purchase Offer.
- See Voluntary buy-out flowchart for details.

# Voluntary buy-out process

## Step 1: Information phase

- Initial meeting for landowners and MDC to discuss overall process and options available for the property.
- Landowner completes an application form for the buy-out or relocation option they choose.
- Information collated for valuation and insurance review processes.



## Step 2: Valuation & insurance review phase

- Owner selects valuer from independent valuation panel.
- Valuer visits property and prepares market valuation (as at 13 February 2023).
- Valuation Manager peer reviews valuation and report produced for offer process.
- Independent insurance advisor reviews landowner's insurance claim status.
- If required, insurance advisor will work with landowner and insurer to review/progress claim.
- Insurance claim settlement completed ahead of offer.



## Step 3: Offer phase

- Offer is made based on market valuation. Includes terms and conditions and any agreed special clauses.
- Offer open for three months or as agreed with MDC.



## Step 4: Completion phase

- Legal agreement signed. Settlement timeframe is up to three months or as agreed with MDC.
- Transfer of funds.
- Settlement and property transfer.



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