

Postponement of rates for residential properties

Guide 2024/2025

This scheme assists residential ratepayers who want to postpone the payment of rates by using the equity in their property. This scheme also applies to those who may have financial difficulties or unusual circumstances, as long as they have the required equity in their property.

Criteria

The ratepayer must meet the following criteria to be considered for rates postponement:

- the ratepayer must be the current owner of the rating unit and owned the property for at least two years
- the rating unit must be used solely by the ratepayer as his or her residence
- the postponed rates will not exceed 80 per cent of the available equity in the property. The available equity is the difference between the council's valuation of the property (the capital value at the most recent revaluation) and the value of any encumbrances against the property, including mortgages or loans, if the ratepayer has insured the property for its full value. Otherwise, the available equity will be the 80 per cent of council's valuation of the land less any encumbrances against the property
- the ratepayer or the ratepayer's authorised agent must apply to the council on the prescribed form.

Conditions

1. The council recommends that ratepayers considering postponing their rates seek advice from a financial adviser on the financial impacts and appropriateness of postponing their rates.
2. The council will postpone payment of the residual rates (what is left after any optional payment) if the ratepayer meets the above criteria.
3. The council may add a postponement fee each year to the postponed rates. The fee will cover the period from when the rates were originally due to when they are paid. The fee will not exceed the council's administrative and financial costs of the postponement.
4. The postponement will apply from the beginning of the rating year in which the application for postponement is made, although the council may backdate the postponement application, depending on the circumstances.
5. Once the postponed rates are equal to, or greater than, 80 per cent of the available equity in the property, no further rates will be postponed. Any postponement will apply until one of the situations listed below occurs, at which time the postponed rates (and any postponement fee) will be immediately payable:
 - a. on the ratepayer's death
 - b. the ratepayer no longer owns the rating unit
 - c. the ratepayer stops using the property as his or her residence
 - d. a date set by the council in a particular case
6. All or part of the postponed rates may be paid at any time.
7. The applicant can choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy.
8. Postponed rates will be registered as a statutory land charge on the rating unit's title.
9. For the rates to be postponed, the council will require evidence each year, by way of declaration or statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Postponement charges are a one-time fee of \$96 to register the postponement on the Record of Title. This will be added to the amount of rates and is not payable upfront. Please note, from February 2025 the fee will increase to \$130.

The postponement fee will include the council's annual borrowing rate (currently set at **6.40%**).

How to apply

Complete and send the application form together with supporting documentation by email to rates@aucklandcouncil.govt.nz or via post to:

Auckland Council
C/- Rates Team
Private Bag 92300
Auckland 1142

Find out more: phone 09 301 0101 or visit aucklandcouncil.govt.nz