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Progressing work while waiting for a category

It is important to know that you can progress necessary insurance-funded repairs to your home while you wait for your property category without being disadvantaged. Auckland Council has two schemes available to support people who own homes where there is an intolerable risk to life. We either offer to buy-out the property (Category 3) or offer grants for work to reduce the risk to an acceptable level (Category 2P). This guide explains how we consider completed work on your home when calculating financial support for Category 2P and Category 3 properties.

Category 3 properties

Homeowners who have received a claim payment from their insurance provider, including any [EQCover](#) (Earthquake Commission) settlements, are still eligible for the voluntary buy-out. The buy-out offer from Auckland Council will be the market value as at 26 January 2023, minus the 5% homeowner contribution and insurance and EQCover settlements.

If you have already spent some or all of your insurance claim payment on repairing damage to your home from the severe weather events, the council will consider this as part of the buy-out offer. This means that if you have spent insurance money on repairs in good faith and can provide evidence of this (such as receipts and photos of storm damage), we will not deduct this amount from the buy-out offer.

We will ask you to provide receipts for the work done and to make a statutory declaration that the proceeds of your claim have been spent in good faith on repairing your property. We will not repay money you spend on other things, such as rent or personal items, or personal funds spent on repairs. If your insurer managed the repairs for you, we will only need to see the 'Scope of Works' for the repair, which you can get from your insurer.

Example 1: You have not done any repairs, and then find out your property is Category 3

If your property's market valuation is \$1m and your insurance payout was \$500,000, our voluntary buy-out offer would be \$450,00. This is 95% of the market value, less your insurance payout.

Example 2: You have done repairs, and then find out your property is Category 3

If your property's market valuation is \$1m, your insurance payout was \$500,000 and you can show that you have spent \$100,000 on repairs, our voluntary buy-out offer would be \$550,000. This is 95% of the market value, less your insurance payout.

Category 2P properties

Homeowners who have accepted a settlement and received a payment from their insurance provider are still eligible for the Category 2P grant.

Insurance claim payments for home repairs such as replacing the floorboards and fixing walls will not have any impact on your Category 2P grant. This is because the grants are only for funding work to reduce the future risk to life on your property to a tolerable level (mitigations). Examples of Category 2P mitigations include lifting and/or moving your home on your section to reduce flood risks, and retaining walls to reduce landslide risk.

In some cases, EQCover settlements may be able to be used to complete the mitigation work. For example, for a retaining wall on the property or soil nails to stabilise a bank. These situations will be assessed on a case by case basis and if applicable the amount of grant funding provided may be reduced to take account of the EQCover settlement.

If you use insurance money (or other funds) to complete risk mitigation work before receiving a Category 2P for your property, you may still be eligible for a grant to cover some or all of those costs. To receive a grant for mitigation work already completed, the council will need to agree that the work has reduced the future risk to life from extreme weather events to a tolerable level. You will also need to provide copies of technical reports, drawings and any other specialist advice about your project, and all of the receipts for the work. If you want to make changes to your property to reduce risk, such as lifting your house or building a retaining wall, we recommend you seek advice from a suitably qualified engineer.

Example 1: You have done repairs, and then find out your property is Category 2P

For example, you used insurance money to replace the floorboards and fix walls in your home, then find out that your property is Category 2P and the council says you need to lift your house to reduce the risk from future flooding. In this case, the repairs are separate to the mitigation and the council will not consider the repair cost as part of the grant funding for lifting your house.

Example 2: You have done mitigation work, and then find out your property is Category 2P

If council agrees the mitigation completed was effective in reducing the risk to a tolerable level and meets the Category 2P feasibility criteria, then you can apply for a grant to repay you for some or all of the work. If you have used an EQCover settlement for the work, then this would be deducted from the grant funding. For example, if the agreed mitigation was a retaining wall that cost \$200k, and you have received and used \$100k EQCover funding to build the wall, then the grant funding you can get through the Category 2P scheme would be \$100k.

Category 1 properties

Category 1 properties are not eligible for a buy-out or grant funding for mitigation work, so the homeowner is responsible for all repairs and mitigation work. If you need resource and/or building consents for storm-related repairs to your property, your applications can be processed by a dedicated team set up to speed up these processes. Please include the word 'flood' or 'cyclone' in the subject line to ensure your application will be allocated to this team. The standard consent fees and conditions will apply.



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