

[Name]
[Address 1]
[Address 2]
[City/Postcode]
[COUNTRY]

31 July 2014

Dear [name of property owner]

Offer to purchase your property

Thank you for returning your Residential Red Zone Consent Form. Based on that information I am now in a position, on behalf of the Crown, to offer to purchase your property at:

**[insert property address]
[insert QPID number and pin]
[insert CT number]
(your Property).**

This letter is my purchase offer. Please also read carefully the enclosed Port Hills offer information booklet as it contains important information to help explain this offer.

The following two options are available to you if you want to accept the offer.

Option 1: The purchase price for your property will be the 2007 rating valuation of your land, buildings and other improvements less any deductions. Our records show this valuation for your property is [\$insert total RV]. Details of the type of deductions that might apply are set out in the Port Hills offer information booklet.

Under Option 1, the Crown will take over your insurance and EQC claims for damage to your house as well as your EQC claims for damage to your land when you sign the sale and purchase agreement. The Crown will **not** take over any insurance and EQC contents claims you may have made or any personal insurance (such as rental allowances, stress payments etc) which may be available to you under your private insurance policy. You should keep dealing with EQC and your private insurer in relation to any contents or personal insurance claims not yet paid out.

While everyone's situation will differ, generally speaking, if your house has only minor damage Option 1 may be more suitable.

Option 2: The purchase price of your property will be the higher of either:

- The 2007 rating valuation of your land only less any deductions. Our records show this valuation for the land is [\$insert land RV]. Details of the type of deductions that might apply under Option 2 are set out in the Port Hills offer information booklet; or

- The amount that the Crown eventually settles with EQC for your land claim, less any deductions.

Under Option 2, when you sign the sale and purchase agreement, CERA will take over your EQC claim relating to land damage only. You will continue to deal directly with EQC and your house insurer for all other claims.

You may wish to choose Option 2 if you consider that your house insurance would result in you being paid more for your building and improvements than the rating valuation. While everyone's situation will differ, generally speaking, if your house is a total loss and you have full replacement cover Option 2 may be more suitable.

You can **only** seek an adjustment to the purchase price where:

- The 2007 rating valuation is based on an incorrect land area, an incorrect floor area for your house and/or any additional insured buildings; or
- You have received a code compliance certificate for consented building work undertaken after the rating valuation and that work increased the floor area of your house (or added additional insured buildings).

If you believe that one of the above categories applies to you, you should advise your lawyer so he or she can notify CERA.

Before responding to this offer please discuss your position with a lawyer, your insurer, and any lender who has a mortgage over your property. If you accept the offer, the Crown will meet **50 per cent** of the costs of your legal advice, up to a maximum contribution of \$750 +GST for Option 1 or \$500 +GST for Option 2.

You may also wish to speak with a financial adviser. The Christchurch Earthquake Appeal Fund has supported the Commission for Financial Literacy and Retirement Income to ensure information and advice is available to help you make your financial decisions. For more details please visit the 'Canterbury residents' section of www.sorted.org.nz

You have until 27 February 2015 to seek advice and decide whether to accept the offer. Once you are certain you fully understand the offer and have decided to accept one of the two options, your lawyer will prepare and submit the Sale and Purchase Agreement. Should you wish to view the agreement prior to meeting your lawyer, it can be downloaded from www.cera.govt.nz. CERA will then deal directly with your lawyer to finalise the agreement.

If you do not submit an agreement by 27 February 2015 the Crown's offer to purchase your property will expire and it will no longer be available for you to accept.

If you decide to accept one of the two options, the settlement date will be six weeks after the date of the Agreement for Sale and Purchase. Please note that no deposit will be paid due to the short time period between signing and settlement.

I know that you may have questions. The enclosed Port Hills offer information booklet will answer many of those questions. The booklet also includes a step-by-step diagram of the offer and sale process and a directory of some key support services you may wish to use.

If you would like more information:

- For questions relating to consent forms and/or the Crown offer process, please phone 0800 RING CERA (0800 7464 2372) 8am to 5pm weekdays.
- Visit the CERA website www.cera.govt.nz

Yours sincerely

Roger Sutton
Chief Executive