

# Stand-alone house information pack

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If you're a homeowner repairing your stand-alone house through the Financial Assistance Package (FAP), this information pack will guide you through the process.

## Step-by-step guide

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You can expect the following process when you make a claim to repair your stand-alone home through the FAP scheme.

### 1. Discuss your claim with MBIE

You can chat to claim advisors at MBIE for advice about making a claim, and for help with your application.

### 2. Make a claim

You can make a claim by lodging an application form to bring a claim for a stand-alone or complex house.

[Stand-alone house application form for a Weathertight claim \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/stand-alone-house-information-pack/stand-alone-house-application-form/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/stand-alone-house-information-pack/stand-alone-house-application-form/)

[Stand-alone complex application form for a Weathertight claim \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/stand-alone-house-information-pack/stand-alone-complex-application-form/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/stand-alone-house-information-pack/stand-alone-complex-application-form/)

To be eligible for contributions, the area in need of repair must have been built or altered in the last 10 years.

### 3. MBIE reviews your application

We will review your application to make a claim under the Weathertight Home Resolution Services Act. It will be accepted or declined, and we may also ask you for more information.

Once your claim application is received, we will notify your council. Your council will note the claim on your property's LIM (land information memorandum).

Your LIM will be updated regardless of whether your application is accepted or declined.

If your application is accepted, you will have a claims advisor allocated to your claim.

## 4. Discuss your options

You and your claims advisor will discuss options if your claim is accepted for assessment. This will cover a range of topics including:

- assessor's reports
- the repair process
- implications for your claim.

## 5. Nominate an assessment option

The most appropriate kind of assessor's report will depend on your situation and intentions:

- An eligibility report simply assesses whether you have an eligible claim or not.
- A full report gives full details of the scope of damage and repairs required and identifies people or organisations the assessor believes have played a role in the areas that leak. It can be used as a basis for repairs and as evidence in legal proceedings.

If you choose an eligibility report, you may need to commission a further assessment of your property.

[Read about your home assessment options. \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/investigation-and-assessment-of-your-home/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/investigation-and-assessment-of-your-home/)

Assessments involve invasive testing of your home. Holes will be drilled into its cladding and small areas cut out to confirm the weathertight issues. These will be temporarily repaired after testing, but you will be responsible for repairing the damage.

[Watch a video guide of invasive testing. \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/guide-to-weathertight-invasive-testing/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/guide-to-weathertight-invasive-testing/)

## 6. MBIE sends you a copy of the assessor's report

The report will include the assessor's opinion on whether your claim is eligible under the Weathertight Home Resolution Services Act.

## 7. Decision of eligibility made

MBIE will make a decision on the eligibility of your claim under the Weathertight Home Resolution Services Act. You must have an eligible claim to proceed with the FAP. Your council will let us know if you qualify for FAP contributions towards repair costs.

## 8. Choose further assessment or take the next step

If you choose not to use or do not qualify for FAP contributions, you may still be able to use dispute resolution through mediation or adjudication.

You will need to decide whether to continue with your claim through the Weathertight Homes Tribunal or pursue other options.

You will need to weigh up the information in your assessor's report and your personal situation before committing

to a specific course of action.

Under the FAP, repair costs are shared. These costs are set out in the assessor's report and include:

- the cost of repairs, or full demolition and rebuild if that is recommended in the full assessor's report
- associated costs including:
  - design work
  - project management
  - building and resource consent fees
  - 50 per cent of the valuation fee if needed for obtaining a loan
  - alternative accommodation and furniture storage (depending on your claim, 25 per cent or 50 per cent of a maximum \$5,000 eligible costs).

Other options include:

- the Weathertight Homes Tribunal
- private legal action
- mediation
- negotiation
- sale with full disclosure.

You should speak to your claims advisor before you proceed with any option. You may need to take legal advice on your preferred course of action.

## 9. Arrange funding

If you choose to repair your home through the Financial Assistance Package, you will need to confirm you can afford 50 per cent or 75 per cent of the repair cost (subject to council contribution) as stated in your full assessor's report (including costs that do not qualify).

This is provisional only at this stage. You will have to confirm you can afford the actual costs once you have established firm costs from actual providers (such as builders, designers etc) for the work.

Funding sources include:

- savings
- cash assets such as funds, shares, bonds, portfolios
- bank loans.

You can also ask anyone party to your claim to make contributions towards your repair costs.

This might be in exchange for an indemnity from liability for the original defects (they will need to sign an addendum for additional contributor). Contributions can be by way of cash or work and materials "in kind".

You can read more about contributions and in-kind arrangements in the [Additional contributing parties and in-kind arrangement factsheet \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/contributions-and-arrangements-factsheet/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/contributions-and-arrangements-factsheet/).

## 10. Homeowner agreement made

Once you have confirmed you can afford your share of the repairs you will be offered a homeowner agreement.

The homeowner agreement will be between you, MBIE and your council if they are contributing.

The agreement is a legal document setting out the obligation of all parties under the FAP.

It describes the government and council roles in approving aspects of your repair and sets out the amount of the contributions you will be eligible to receive, including:

- the costs you are eligible to claim FAP contributions towards
- the way you will be paid and the requirements you need to meet to qualify for payments
- the scope and cost of repairs
- your ability to meet all costs
- the quotes for work
- the progress of work against agreed milestones, before any contribution payments are made.

After you have signed the homeowner agreement, you will need to meet the contribution criteria. This includes having an approved approved repair plan and payment plan.

These criteria will be met as you progress through the FAP process. The homeowner agreement will only become unconditional (and you will qualify for FAP contributions) once you have met all the contribution criteria.

You will not receive any payments from the council or the government unless you meet all the requirements of the homeowner agreement.

If you are currently in legal proceedings with the council:

- You will need the council to agree to you accessing the FAP and then negotiate the discontinuance of legal action.
- Be aware withdrawal from legal action will include all parties to the action.

If you withdraw from legal proceedings you must sign a discontinuance addendum. This forms part of your homeowner agreement.

[Download and complete a discontinuance addendum \(https://www.building.govt.nz/assets/Uploads/resolving-problems/weathertight-services/fap-forms/discontinuance-addendum.rtf\)](https://www.building.govt.nz/assets/Uploads/resolving-problems/weathertight-services/fap-forms/discontinuance-addendum.rtf).

You need to sign a homeowner agreement before you proceed with design work.

You may like to get your lawyer to review the homeowner agreement with you before you sign it.

## 11. Repair plans

Once the homeowner agreement is signed, you will need to engage with an architect or designer to discuss repair plans.

Read about [Design, plans and management \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/designs-plans-and-management-roles-factsheet/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/designs-plans-and-management-roles-factsheet/).

The repair plan will include all the work needed to fix the damage identified in the full assessor's report and, if your home is connected to other property, any damage identified for these buildings whether or not they are the

subject of your claim.

You can repair your home in any way – you are not bound to follow the 'like-for-like' repairs as described in the assessor's report. The repair plan can show repairs that may change aspects of your home, including different cladding, roof designs and new additions.

Broadly-speaking, this is called 'betterment' and must be clearly identified in the repair plan. The reason for identifying betterment is to establish how much of your repairs will qualify for contributions. A definition of betterment will be included in your homeowner agreement.

It's not recommended your plans go further than developed design stage prior to council and MBIE review. If deficiencies are discovered or a large amount of betterment is identified, you will be able to redesign your repair if you wish.

### Choosing a designer

Look for a qualified designer or architect with experience in designing repairs for leaky buildings of similar size and complexity.

Leaky home repairs must be undertaken by Licensed Building Practitioners (LBPs). [Search a list of LBPs online \(https://lbp.ewr.govt.nz/publicregister/search.aspx\)](https://lbp.ewr.govt.nz/publicregister/search.aspx)

Consider the following when chatting to any prospective designers:

- what experience do they have in leaky home repair work design?
- can they supply referees – past clients prepared to recommend their work?
- do they have professional indemnity insurance?
- have they read our [Repair plan information pack \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/repair-plans-information-pack/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/repair-plans-information-pack/)?

It's a good idea to have your designer or a specialist project manager look after the whole remediation process for you.

Usually this includes responsibility for:

- getting building consents
- choosing a builder and subcontractors
- overseeing the building process
- liaising with the council
- obtaining the final code compliance certificate.

## 12. The council and MBIE review the repair plan

If the council is participating, it will review the repair plan first then forward it to MBIE for review. You will then receive a letter explaining the outcome of the review, including:

- Whether your repair plan is approved or declined.
- Any conditions of approval you must comply with.
- Any changes to the repair scope that will receive contributions. Typically this means the repair scope has increased (say to expand an area requiring recladding).

- A list of betterment items. Note that at this stage, these items are simply being identified, and subject to later review, some may not ultimately be considered betterment (not qualifying for contributions).
- A list of other repairs which must be undertaken, but don't qualify for contributions. These include earthquake repairs, out-of-time repairs, and internal moisture-leak repairs (like a leaking shower). You will need to fund all of these costs.

If required, we may ask for more information to better understand your repair plan.

## 13. Building consent

Once your repair plan is approved, your designer finalises the design and prepares the building consent documents.

Your designer is responsible for providing the working drawings and specifications you need to apply for building consent.

The working drawings must match the approved repair plan scope. You review these before they go to the building consent authority.

MBIE and your council must have reviewed and approved your repair plan prior to you seeking consent.

You lodge the building consent application, or instruct someone to do so on your behalf.

If your council is participating in the FAP, they will review your consent application to ensure it reflects the approved repair plan. The council issues the building consent.

When the building consent is issued, and if your council is participating in the FAP, you will need to obtain a completed building consent statement form confirming that the building consent is consistent with the approved repair plan.

## 14. Engage a builder to obtain quotes

You should have an approved repair plan before procuring your building contractor (often by going to tender).

Having an approved repair plan will usually mean that you have firmly decided how you're fixing your home and therefore the potential building contractor(s) will be able to offer you a quote.

Your designer or project manager can help you prepare your procurement documents (these will be referred to as 'tender documents' if you're tendering). These should include:

- the drawings and specifications describing the proposed work
- the conditions of contract, including:
  - the structure of the building contract, for example 'fixed price'
  - if any work or materials "in kind" are to be included
  - a copy of your repair plan approval letter from MBIE
  - instructions that the contractor (or someone) will need to separate the cost of betterment
  - instructions that the contractor (or someone) will need to provide expected completion dates for construction milestones
  - instructions that the contractor will need to provide unit cost rates for certain works (like replacing timber) and labour rates for the various trade contractors. This is to allow the cost of any changes which may be

required to be easily calculated

- advice that successful contractor will need to sign a contractor's statement form, and that their quote will be provided to the Ministry.

Your procurement documents should reflect any conditions attached to its approval of your repair plan. These are likely to relate to ensuring any betterment-related work is identified and separated from approved repair work.

Work and materials in-kind can be provided instead of (or alongside) cash contributions from potential parties to your claim.

You may also contribute your own labour to the repair, so long as you are qualified to undertake it.

If tendering, MBIE recommend you get at least two and preferably three quotes. Your preferred quote is provided to MBIE.

You do not have to choose the lowest quote, but if the quote is too high MBIE may adjust its contributions towards your costs to reflect current market rates.

### The tendering process

- You identify any work or materials in-kind to be included in the work.
- You identify suitable builders and request quotes.
- You review the quotes and decide on a preferred builder.
- Your preferred builder completes a contractor's statement form.
- You will need to provide us with your preferred builder's quote and a completed payment plan application spreadsheet.

We recommend you get at least two and preferably three quotes. Your preferred quote is provided to us.

You do not have to choose the lowest quote, but if the quote is too high we may adjust its contributions towards your costs to reflect current market rates.

### Choosing a builder

It's best to choose a qualified builder who has experience repairing leaky buildings of similar size and complexity.

Like your designer, your builder supervising the repairs will need to be a licensed building practitioner (LBP).

Search the LBP online register. (<https://lbp.ewr.govt.nz/publicregister/search.aspx>)

It's also important that they are familiar with what's required of them under the FAP.

You can also ask for the names of your builder's previous clients who can act as referees.

Consider asking any prospective builder:

- what experience do they have in leaky home repair work?
- have they read the publication, construction and payment information pack and Weathertightness: [Guide to remediation design \(https://www.building.govt.nz/building-code-compliance/e-moisture/e2-external-moisture/weathertightness-guide-to-remediation-design/\)](https://www.building.govt.nz/building-code-compliance/e-moisture/e2-external-moisture/weathertightness-guide-to-remediation-design/)?
- do they offer a written warranty for the repair work?

If you do not engage a project manager, or if your designer does not look after the building process for you, you can arrange for your builder to carry the responsibility of:

- getting building consents
- liaising with the council
- obtaining the final code compliance certificate.

## 15. Payment plan, funding and quotes

You will need to complete and submit a payment plan application and other relevant documentation to MBIE.

[Payment plan application factsheet \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/payment-plan-application-factsheet/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/payment-plan-application-factsheet/) has more information about submitting the application.

You must have sufficient funding to cover your share of the total project cost including any costs outside of the approved repair.

If your council is contributing to your repairs, you need to discontinue any civil proceedings in relation to your property's damage before the approved repair work can begin. A discontinuance addendum (see point 10.) must be signed by you and will form part of your homeowner agreement.

Your application will be reviewed by MBIE, and you will be issued with an approved payment plan.

## 16. Notice to proceed

If you accept the payment plan and wish to start repairs on-site, you will issue a 'notice to proceed' to MBIE.

The homeowner agreement becomes unconditional when we receive the notice to proceed. Your repair must proceed through to completion.

You must not sell your property until you have completed the repair work and the last payment has been made.

[Download and complete a notice to proceed form. \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/multi-unit-complex-information-pack/notice-to-proceed-form/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/multi-unit-complex-information-pack/notice-to-proceed-form/)

## 17. Repairs and inspections

MBIE will pay your first contribution payment.

- You can request a contribution towards the agreed costs you have incurred to date - these will usually be design and consent fees.
- Once the first payment is made you lose your ability to sue contributing parties for the damage you are repairing under the FAP.

Your first payment is likely to be a contribution for associated costs incurred so far:

- design fees
- building and resource consent fees
- valuation fees needed for obtaining a loan.



MBIE and your council will pay the contribution directly into your bank account.

## 18. Repairs commence

Your builder can arrange for inspections.

- Inspections by the council for building consent purposes and for FAP purposes are generally done at the same time.
- MBIE (or your council as its agent) inspects the repairs and issues a timber remediation statement and site inspection notices.

## 19. Claim for milestone payments

You can make claims for milestone payments as per your payment plan.

Milestone payments do not normally change in the course of your repair. The total contribution amount will be adjusted at the completion of your project to reflect the actual cost of repairs, based on invoices.

If during the course of repairs your repair costs increase to the point where your affordability is likely to be affected, you may submit a change request to amend your payments.

For example if the extent of damage is much more than anticipated and the resultant repair cost is exhausting your funds. As part of this process, you will need to confirm you can afford your share of the additional cost. A revised payment plan will be issued to reflect the higher cost and revised milestone payments.

MBIE will pay the milestone payments into your bank account. You will pay your builder in accordance with your contract.

## 20. Completion of repairs and Code Compliance Certificate

If the building consent authority (usually the council or its agent) believes the work is built in accordance with the building consent, a code compliance certificate will be issued.

## 21. Final payment claim

You will need to make a final payment claim to us, enclosing all invoices, except those already provided in support of your pre-repair costs.

MBIE will calculate and make the final payment.

The final amount will almost certainly differ from that stated in your payment plan. Typically, the difference will be related to confirming the actual cost of works that have been provisionally allowed for in the payment plan – the most obvious example being the cost of replacing damaged timber framing.

## Related content

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[Payment plan application factsheet \(https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/payment-plan-application-factsheet/\)](https://www.building.govt.nz/resolving-problems/resolution-options/weathertight-services/fap/fap-factsheets/payment-plan-application-factsheet/)

Use these instructions to complete your payment application form through the FAP scheme.

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- with a Weathertight Services claim, it is published under section 12 of the Weathertight Homes Resolution Services Act 2006.