

# 17092 - Increasing earthquake resilience: Internalising externalities through regulation and financial risk transfer tools

How can we better finance the retrofitting of earthquake-prone buildings? One of the most significant barriers to community resilience in the event of a major earthquake is earthquake-prone building stock. Often, the biggest obstacle to earthquake strengthening is cost; in many cases, EQPB owners perceive strengthening as prohibitively expensive. Because of this, government mandates may not be enough to lead to adequate retrofitting and may in fact lead to wide-scale abandonment and unnecessary demolitions of the existing building stock (including buildings of historic, heritage or aesthetic value). This project will use a case study approach to test the effectiveness of various financial mechanisms and incentive programmes in enabling wider take-up of EQPB retrofitting. Focusing on a central area precinct in a provincial town (Whanganui) with distinctive function and character, we will investigate how insurance contracts and other financial and regulatory incentives can serve as useful policy tools to promote risk mitigation by property owners.