



Jude Clark

Leaders in Real Estate
Licensed under the Real Estate Agents Act 2008

PROPERTY UPDATE

027 611 9199

0800 4 soldonjude (0800 4 765 36)

jude@soldonjude.co.nz

MARCH 2015

CALL TODAY FOR A CURRENT MARKET UPDATE

Making offers on two properties

A couple put an offer on an apartment in central Wellington, for which tenders were due by Monday 1 April. They also liked a second property in Island Bay, for which tenders were due by Thursday 4 April, so they put an offer on that property too.

The couple thought it was fine to put offers on two different properties at the same time, because the Agreements for Sale and Purchase both contained a finance condition. They thought this condition would let them get out of one of the purchases in the event that both offers were accepted.

They did not realise that in these circumstances, the finance condition cannot be used as a reason to cancel. The standard Agreement for Sale and Purchase says that the party benefitting from a condition has to do all things reasonably necessary to enable that condition to be satisfied by the date for fulfillment. So if the couple was reasonably able to obtain finance, they could not pretend otherwise in order to cancel a contract.

Fortunately for this couple, their offer on the Island Bay property was accepted but the one on the apartment was not - a narrow escape as they would have been legally obliged to purchase both properties if the offers had been accepted.

If you are interested in buying more than one property, you must make sure that there is only one offer live at any given time. If offers are due within a few days of each other, it is best to make the first offer with a "deadline for acceptance of offer" included. This deadline provides a time and date by which the vendor must accept the offer, or else it lapses and ceases to have any legal effect. If that deadline passes, an offer can then be made on the second property. Another thing to manage is that often the terms of tender state that you cannot withdraw your offer for two working days after the tender date. In the couple's case, they should have put a tender in for the apartment with a deadline

for acceptance by Wednesday 3 April. That way they would have known whether or not to make an offer on the Island Bay property in time for its tender deadline.

If you want to include a deadline clause in your offer, you should seek legal advice to make sure the wording correctly reflects your intentions.

Louisa Gommans Rainey Collins Lawyers www.raineycollins.co.nz and follow us on Twitter @RaineyCollins

Minister adamant that overhaul of Resource Management Act needed

In his 20th annual speech to Nelson Rotary recently, Nick Smith, Minister Building and Housing, rounded on the Resource Management Act (RMA) and why it needs to be reformed. This extract is from that speech:

"There are three ways in which the RMA (Resource Management Act) makes the development of new lower cost housing near impossible.

The first is the way the Act is used to constrain land supply and push up section prices. Section prices have increased way more significantly than the built house cost. If the section costs \$250,000, nobody is going to put a modest \$150,000 building on it.

Current RMA has no regard for cost implications

The second problem is that the RMA puts huge weight on protecting landscape, amenity, natural character and heritage without any balancing consideration over the cost implications. When deciding whether a sub-division will be allowed, whether an apartment building can be built higher, what section size or apartment size will be allowed, side yard requirements, set-backs for viewing shafts, there is no legal requirement to consider the impacts these will have on the supply and affordability of housing.

Neighbours don't always help

And then there is the third problem arising from the consultation, submission and appeal rights of neighbours. Neighbouring property owners' interests are in protecting their property rights and amenity and little for increasing the supply of affordable housing for others. I've seen neighbours object to adjacent land being used for housing because they like the outlook of green pasture and frolicking horses, which they view as their amenity values that the RMA says must be protected.

Neighbours will often push for conditions that will increase the cost of adjacent housing developments or make them unviable. At one hearing, a neighbour was quite blatant in wanting conditions that would ensure that only millionaires could afford to build, noting that this would also enhance his own property's value. More commonly, such blatant self-interest is dressed up in language of ensuring only quality developments are allowed. It is not that there are not legitimate neighbourhood interests but rather that the process does not have anyone actively advocating for the young family wanting access to an affordable house or apartment.

We need to make important changes to confront these problems. Councils need to be required to free up sufficient land for development to keep pace with growth. They also need to explicitly consider housing supply and affordability alongside factors like amenity, natural character and heritage."

Full speech at: <http://beehive.govt.nz/speech/overhauling-resource-management-act>

Win Deluxe High Tea for 4 at Logan Brown Restaurant

www.loganbrown.co.nz

To go in the draw:

Email your details to leaders@homenet.co.nz with Logan Brown as the subject and state the name of the Leaders Agent who provided your entry or Mail your entry to: "Leaders High Tea Competition" P.O. Box 24262, Manners Street, Wellington 6011. The winner of last month's draw Deluxe High tea for 4 was: D Johnson of Upper Hutt.



Name:

Address:

Phone:

The Leaders Agent who provided my entry:

WELLINGTON REGIONAL COMPARISON

SALES AREA	SALES		MEDIAN DAYS TO SELL		MEDIAN SALE PRICE		SALES AREA	SALES		MEDIAN DAYS TO SELL		MEDIAN SALE PRICE	
	JAN 14	JAN 15	JAN 14	JAN 15	JAN 14	JAN 15		JAN 14	JAN 15	JAN 14	JAN 15	JAN 14	JAN 15
	000s												
Wairarapa	55	54	51	62	\$270	\$260	Pukerua Bay/Tawa	64	70	27	36	\$406	\$412
Wellington Central	22	52	41	72	\$493	\$439	Lower Hutt	107	160	28	34	\$394	\$371
Wellington West	25	19	37	59	\$535	\$660	Upper Hutt	58	67	40	36	\$336	\$360
Wellington East	24	18	43	39	\$520	\$526	Otaki/Paekakariki	93	114	30	41	\$339	\$365
Wellington South	22	21	40	58	\$495	\$520	Levin	21	22	49	47	\$160	\$155
Wellington North	37	50	40	51	\$482	\$454	Compiled from the Real Estate Institute of NZ statistics https://www.reinz.co.nz						



027 611 9199

0800 4 soldonjude (0800 4 765 36)

jude@soldonjude.co.nz