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*It's beginning to
look a lot like
Christmas.*

Our offices will
be closing on
23 December 2025
and will fully reopen
on 14 January 2026.

*The Partners and
staff of Glaister
Keegan wish you all
the very best for the
festive season.*

GLAISTER KEEGAN LEGAL UPDATE FOR OUR CLIENTS

inbrief

4TH QUARTER 2025



HOUSING INTENSIFICATION AND RESILIENCE

Proposed Plan Change 120: What You Need to Know

WHAT IS PC120 AND WHY DOES IT MATTER?

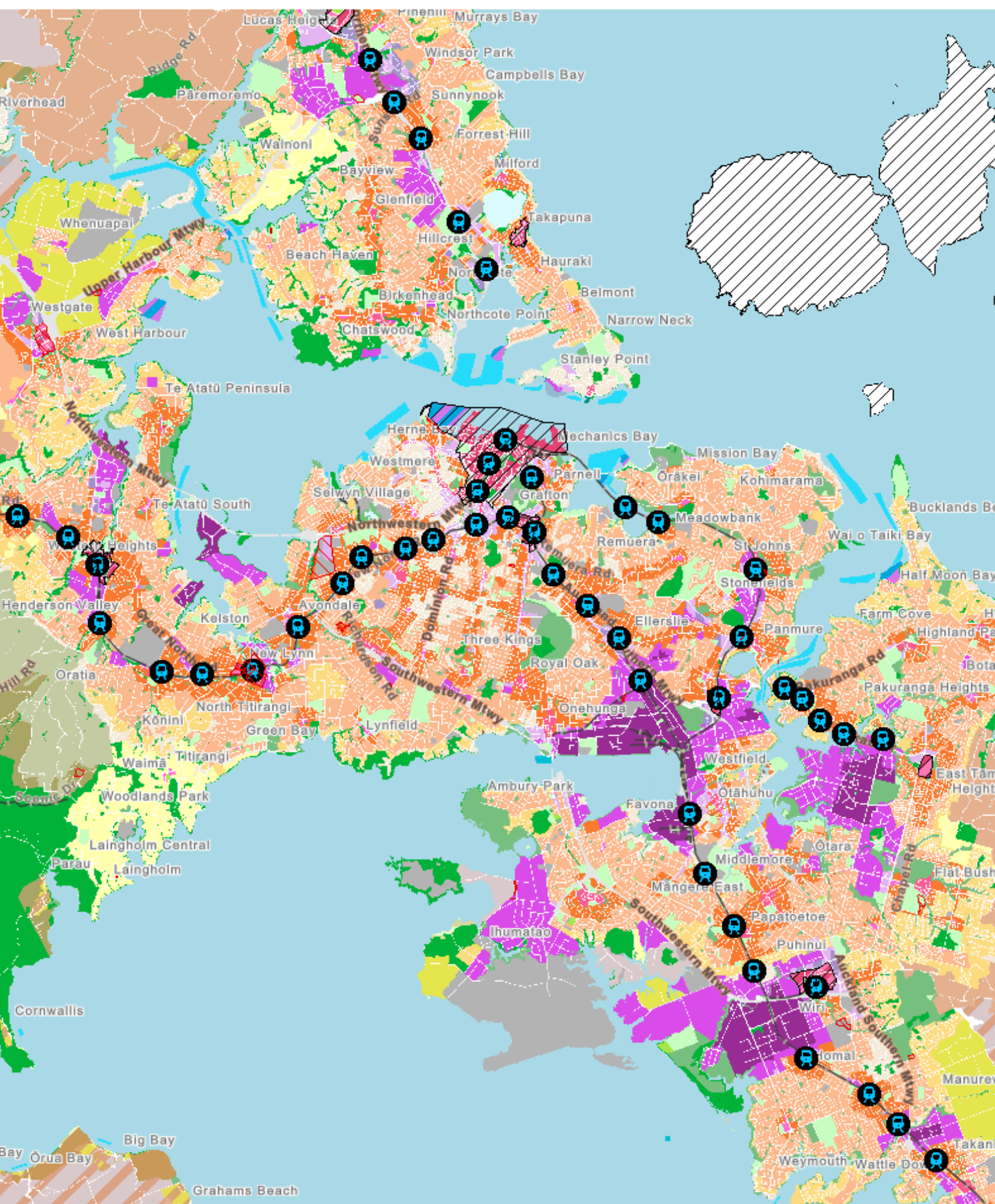
Auckland Council has proposed a change to the Auckland Unitary Plan called **Plan Change 120 (PC120)**. This change is about two main things:

1. Rezoning areas of residential land to allow more housing intensification in and around urban centres and transport hubs.
2. Making communities safer from natural hazards like flooding and landslides.

WHY IS THIS HAPPENING?

By way of background, PC78 (Auckland's former intensification plan change, as required by the National Policy Statement on Urban Development 2020) incorporated the Medium Density Residential Standards that were required at the time. Generally, this allowed three dwellings of up to three storeys to be built on most residential sites without the need for resource consent. In August 2025, the Government amended the Resource Management Act 1991 to allow for greater intensification in town centres and around existing and planned transit routes. As a result, PC78 was withdrawn in part by Auckland Council and PC120 was notified.

CONTINUED ON PG 3



<https://new.aucklandcouncil.govt.nz/en/plans-policies-bylaws-reports-projects/our-plans-strategies/unitary-plan/auckland-unitary-plan-modifications/proposed-plan-changes/pc-120-housing-intensification-resilience.html>

HOUSING INTENSIFICATION & RESILIENCE CONTINUED FROM PG 1

WHAT WILL PC120 DO?

- Increase housing density within and around town centres and transport hubs.
- Allow taller buildings:
 - o At least 6 storeys within walkable catchments of the city/town centre zone and around existing and planned train and bus routes.
 - o At least 10–15 storeys around certain train stations listed in the Resource Management Act 1991.
- These heights and densities must be enabled unless a 'qualifying matter' applies to a site which makes that level of development inappropriate.

NATURAL HAZARD RULES

PC120 also introduces stricter rules to manage natural hazards such as flooding, landslides, and coastal erosion. This is a response to recent severe weather events like the 2023 Auckland floods caused by Cyclone Gabrielle. The updated rules and hazard mapping re-classify hazard areas and their risk level and require mitigation measures to be implemented that avoid creating or worsening natural hazard risks.

WHAT DOES THIS MEAN FOR PROPERTY OWNERS AND DEVELOPERS?

- Expect more multi-storey and apartment-style housing near town centres and transport hubs, and an increase in shared spaces and communal assets.
- Intensification may lead to issues concerning:
 - o Boundary and airspace rights.
 - o View and sunlight obstruction.
 - o An increase in easements and restrictive covenants in already built-up areas.
- New subdivision and land uses may only be allowed where the natural hazard risk is considered tolerable or acceptable.
- Coastal development will become more difficult.
- The impact of a proposed development on existing floodplains and overland flow paths will be scrutinized. Maintenance or upgrade works may be required to ensure stormwater runoff and flood waters are adequately conveyed.

WHY SHOULD YOU CARE?

These changes could affect your property rights, development plans, and legal obligations. If you're buying, selling, or developing land, it's important to understand how PC120 impacts you.

Please get in touch with our property team if you'd like to discuss how these proposed changes could affect your property or future plans.



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DISCLOSURE AND DUE DILIGENCE

Sole v Hutton – disclosure obligations for apartment sales and the importance of thorough due diligence when purchasing.

In Sole v Hutton [2025] NZHC 430, the High Court dealt with a dispute over undisclosed weathertightness issues in an apartment complex and delivered a strong reminder about vendors' disclosure obligations.

In 2019, the Purchasers (the Soles) purchased an apartment in Mount Maunganui for \$1,495,000. Less than a year after settlement, they discovered major weathertightness issues affecting the entire building. The Body Corporate embarked on an extensive remediation project, and the Purchasers were hit with more than \$1,300,000 in special levies for their share of the work.

The Court found that the Vendors (the Huttons) had attended Body Corporate meetings in 2014 where multiple expert reports highlighted significant leaks and recommended re-roofing and re-cladding of the building. Despite this, the Vendors told their agent that there were no known weathertightness issues and this information was passed onto the Soles.

The Court held that:-

- The Vendors breached the warranty in clause 11.2(7) of the Agreement for Sale and Purchase of Real Estate, which requires disclosure of any facts that may give rise to liabilities under the Unit Titles Act 2010;
- The failure to disclose the reports and the assurance that there were “no issues” amounted to misrepresentation.

The Soles were awarded \$926,806.48 plus interest in damages, including their share of remedial costs (after a 30% betterment reduction, as the remedial works increased the value of the property), alternative accommodation and general damages for stress and inconvenience.



Photo by @rodhammer

Key takeaways:-

- Vendors: Always disclose all known issues including historic reports and AGM minutes, even if you believe the matter has been dealt with or is no longer significant.
- Purchasers: Buying a unit title property comes with shared risk. Ensure you complete thorough due diligence including reviewing all Body Corporate records, reports and minutes to understand potential liabilities and future levies.
- Risk management: Non-disclosure can lead to expensive litigation, while thorough due diligence can prevent nasty surprises.

THINKING OF BUYING A UNIT TITLE PROPERTY?

Our property team can guide you through a thorough due diligence process so you have a clear picture of any potential liabilities before you buy. This can save you from unexpected costs and disputes down the track.

SELLING A UNIT TITLE PROPERTY?

Full and accurate disclosure is not just a legal requirement, it's the best protection against expensive claims after settlement. If you're unsure what must be disclosed or how the warranties in the Agreement for Sale and Purchase apply to your situation, get in touch with our property team. We can help you prepare clear, compliant disclosure statements and minimise the risk of future disputes.



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BUYING YOUR FIRST HOME? HERE'S WHAT YOU NEED TO KNOW

Are you or one of your family members planning to buy a first home? Share our guide to help them navigate the process with confidence.

Purchasing your first home is exciting - but it can feel overwhelming. At Glaister Keegan Lawyers, we help first-time buyers navigate the legal side of property transactions with confidence. Here are key steps and tips to get started:

BUILD YOUR SUPPORT TEAM EARLY

Before you start attending open homes, assemble a small team of trusted professionals:

- **Lawyer:** Engage a trusted lawyer (like us) before you start house hunting. We'll guide you through agreements and complete mandatory Anti-Money Laundering checks upfront so you're ready when you find the right property.
- **Mortgage Broker:** A broker can help you secure finance on favourable terms and explain lending conditions.
- **Building Inspector:** A qualified inspector can provide an independent assessment of the home's condition, whether it's a new build or an older property.

SECURE PRE-APPROVAL AND UNDERSTAND YOUR FINANCES

Get pre-approval from your bank or mortgage broker before you start making offers. Ask whether your finance is conditional on a valuation, and make sure you're comfortable with repayments if interest rates rise. If you're using KiwiSaver, confirm your eligibility and timeframes well in advance, especially if the funds will be used to pay your deposit.

Keep in mind that the agreement deposit (usually 10%) is different from the bank's deposit requirement (often 20%, unless you qualify for a low-deposit loan).

MAKING AN OFFER – KNOW WHAT YOU'RE SIGNING

Most property sales use the standard REINZ/Law Society Agreement for Sale and Purchase. Always have us review it before you sign, as once the agreement becomes unconditional, you're legally required to settle. It's always cheaper and safer to involve a lawyer before signing than to fix problems later.

Common conditions to consider including are:

- Finance condition – gives you time to confirm your loan approval.
- Building inspection – ensures the property is structurally sound.
- LIM report – provides council information such as consents and hazard risks.
- Lawyer's approval allows us to review and confirm the agreement's suitability.
- Due diligence clause for broader protection as to assessing the suitability of the property.

If you're buying at auction, your offer is unconditional, so complete all due diligence before auction day. Using KiwiSaver for an auction deposit can be complex, contact us well before auction day.

COMPLETE PROPER DUE DILIGENCE

We will check the record of title to confirm ownership type (fee simple, cross lease, or unit title) and identify restrictions such as easements, covenants, or consent notices.

Other things to consider:

- You should also obtain your own LIM report, which includes building consent records and hazard information. Combine this with a professional building inspection, especially important for homes built between 1980 and 2010, when weather-tightness issues were more common.
- If the property is on a cross lease, make sure the dwelling matches the flats plan on the title. Any unapproved alterations could create legal or financing issues.
- For unit titles, review the pre-contract disclosure statement, body corporate minutes, and the long-term maintenance plan to identify potential defects, levies, or disputes.

Avoid Common Mistakes such as:

- Signing before getting legal advice
- Skipping building or LIM reports
- Assuming KiwiSaver funds or insurance will be available at short notice

WE'RE HERE TO HELP

A first home is a major investment. Early legal advice can prevent costly surprises and ensure the process runs smoothly. If you're thinking about buying, our team can guide you through every step from reviewing agreements to settlement day so you can buy with confidence. Visit our website for our comprehensive guide to first home buying or get in contact with us today.



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GRANNY FLATS EXEMPT FROM BUILDING CONSENT FROM EARLY 2026

In a significant move to ease housing pressures, the New Zealand Government has passed legislation allowing homeowners to build granny flats—up to 70 square metres—without needing building consent. This change, part of the Building and Construction (Small Standalone Dwellings) Bill, is expected to take effect in early 2026, following the removal of resource consent requirements by the end of 2025.

The exemption applies to standalone dwellings that are simple in design, comply with the Building Code, and are constructed by authorised building professionals. While formal building consent is no longer required, homeowners must still notify their local council before starting and after completing the build.

This reform aims to increase housing supply, reduce costs, and boost productivity in the construction sector. It offers practical benefits for multigenerational families, rural communities, and those seeking affordable housing options.

For clients considering adding a granny flat to their property, now is the time to begin planning. Engaging qualified designers and builders early will ensure compliance with the exemption criteria and avoid delays once the regulations come into force.



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