



Property Update

Tawa to Pukerua Bay

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CALL OR EMAIL FOR YOUR LOCAL AREA PROPERTY REPORT

Buyer/Seller Options worth knowing

What happens if your house is destroyed before settlement of your sale

A couple finally achieved an unconditional Agreement for Sale and Purchase for the sale of their home after it had been on the market for several months. All was on track for a straight-forward transaction progressing to settlement when an extreme weather event swept through the region, leaving the property severely damaged and untenable due to the significant flood damage at the dwelling.

Upon taking legal advice, they quickly learned about the process that needs to be followed, which is summarised below:

Firstly, when selling your property, it is important to note that the risk for the property, in terms of insurance, lies with you

as the vendor until settlement of your sale is completed. The vendor must always keep their insurance in place right up until settlement has taken place and ownership of the title has been transferred to the purchaser.

Upon knowledge of the destruction, you need to make a claim with your insurance company immediately and advise your lawyer of the situation. If the property is untenable (i.e.:

not able to be lived in), or destroyed, the purchaser has the right to:

Cancel the Agreement for Sale and Purchase (they must serve notice on you, the vendor) and they also have the right to be refunded the deposit they have already paid

to the real estate agent or to your lawyer's trust account, as the case may be, or:

- The purchaser has the option to continue with the purchase of the property, with a price reduction that is equal to the insurance payout being made to you by your insurance company; or
- If your insurance company agrees to repair and restore the property (reinstatement) then the purchaser must continue with the purchase of your property, and they have no right to request a price reduction for their purchase.
- If the property is not considered to be untenable but has sustained damage, the purchaser must still complete the purchase transaction. However, they can seek a price reduction that equates to the loss in value arising from the damage. This loss is calculated by reasonable estimates provided by professional tradespersons to repair the damage.
- Clause 10 in the Agreement for Sale and Purchase provides a process to be followed should any dispute arise, for example if the parties do not agree on the values being applied to a price reduction or the cost of reinstatement.

In the event any damage occurs at your property prior to your sale settlement (including damage arising from matters other than extreme weather events) it is important to promptly advise your lawyer who will be able to guide you through the process.

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The impact of a capital gains tax on house prices

Commenting on The NZ Labour Party policy of a capital gains tax, independent economist, Tony Alexander, had this to say in his recent newsletter.

The total return to someone investing in a residential property or keeping one they already have will decrease as 28% of gains after June 2027 will be taxed. On that basis, we should expect more investors to sell, which will cause prices to be lower than they would have been otherwise. Most people will grasp this effect.

Most people will also grasp the idea that fewer people will buy property for investment purposes. It looks like we can reasonably conclude that housing affordability will improve. But there will be a disincentive to create new investment properties. Reduced growth in new house supply will tend to place upward pressure on prices, and this is where the complication lies.

It seems reasonable to expect that the policy will improve housing affordability – but to an uncertain degree, especially because of what is already happening.

Cost of rental business already putting off investors

There is a movement of people away from residential property as an investment already underway. It is being driven by long-term considerations such as the

hike in costs of running a rental business (council rates, insurance, maintenance).

Also, interest rates are no longer falling on a multi-decade basis, which means reduced natural upward pressure on prices. This is helping to curtail the record of house price gains, and that is naturally keeping people from thinking they need to invest in housing or risk feeling silly not too far down the track. Helping also are the government's efforts to boost residential zoned land supply and allow greater intensification.

More professional approach to rental ownership

In New Zealand, the situation has already stopped being one of a need to invest in property or miss out. The new paradigm is already more professional, more focussed on running yield rather than long-term tax-free capital gains and bereft of the great frothiness of the past where all the hoi polloi joined in the game.

Therefore, while technically I must conclude that Labour's latest new tax will be positive for housing affordability, the price impact will be very hard to spot.

www.tonyalexander.nz

RayWhite

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Recent Tawa to Kapiti Residential Property Sales

Street	Area	Beds	Floor m²	Sold	RV
Omaka Place	Aotea	5	338	\$1,600,000	\$1,540,000
John Burke Drive	Aotea	4	255	\$1,405,000	\$1,320,000
Kaiaho Close	Aotea	4	168	\$1,120,000	\$1,120,000
Paparoa Crescent	Aotea	4	213	\$1,100,000	\$1,120,000
John Burke Drive	Aotea	4	210	\$1,300,000	\$1,250,000
Paparoa Crescent	Aotea	4	190	\$1,150,000	\$1,110,000
Warspite Avenue	Ascot Park	3	88	\$750,000	\$790,000
Penryn Drive	Camborne	2	60	\$540,000	\$520,000
Tregony Place	Camborne	4	260	\$815,000	\$890,000
Dorset Grove	Cannons Creek	3	76	\$545,000	\$540,000
Hampshire Street	Cannons Creek	3	90	\$380,000	\$570,000
Sievers Grove	Cannons Creek	3	93	\$620,000	\$610,000
Sievers Grove	Cannons Creek	3	114	\$585,000	\$590,000
Berkshire Grove	Cannons Creek	3	95	\$650,000	\$550,000
Mulhern Road	Judgeford	5	250	\$1,850,000	\$1,850,000
Karearea Avenue	Kenepuru	3	130	\$910,000	\$840,000
Koreke Close	Kenepuru	3	151	\$875,000	\$900,000
Koreke Close	Kenepuru	4	173	\$1,160,000	\$1,150,000
Main Road North	Otaihanga	4	250	\$1,750,000	\$1,670,000
Mill Road	Otaki	2	100	\$540,000	\$550,000
Dal Din Drive	Otaki	4	207	\$855,000	\$900,000
Jean Hing Place	Otaki	3	181	\$855,000	\$840,000
Taylors Road	Otaki	3	208	\$990,000	\$1,010,000
Freemans Road	Otaki	2	110	\$580,000	\$600,000
Forest Lakes Road	Otaki	3	90	\$810,000	\$875,000
Mountainview Tce	Otaki	3	110	\$600,000	\$590,000
Kowhai Street	Otaki	3	190	\$1,200,000	\$1,040,000
Brora Crescent	Papakowhai	4	200	\$985,000	\$950,000
Kinloch Place	Papakowhai	4	300	\$1,035,297	\$970,000
Esdkale Road	Papakowhai	5	187	\$975,000	\$960,000
Halladale Road	Papakowhai	4	170	\$1,120,000	\$1,020,000
Spackman Crescent	Paraparaumu	3	91	\$705,000	\$525,000
Robert Grove	Paraparaumu	3	103	\$721,000	\$620,000
Epiha Street	Paraparaumu	2	70	\$595,000	\$570,000
Arawhata Road	Paraparaumu	4	120	\$632,500	\$630,000
Quadrant Heights	Paraparaumu	3	196	\$660,000	\$870,000
Ratanui Road	Paraparaumu	3	90	\$410,000	\$470,000
Kikorangi Way	Paraparaumu	3	154	\$891,000	\$790,000
Sovereign Way	Paraparaumu	4	213	\$885,000	\$870,000
Milne Drive	Paraparaumu	4	233	\$1,150,000	\$1,000,000
Pukeko Street	Paraparaumu	3	94	\$580,000	\$540,000
Langdale Avenue	Paraparaumu	4	195	\$885,000	\$720,000
Belford Court	Paraparaumu	4	300	\$853,000	\$890,000
Arawhata Road	Paraparaumu	3	160	\$790,000	\$750,000
Guildford Drive	Paraparaumu	3	160	\$710,000	\$740,000
Hookway Grove	Paraparaumu	2	70	\$555,000	\$570,000
Riwai Street	Paraparaumu	3	92	\$669,000	\$600,000
Villa Grove	Paraparaumu	2	121	\$577,500	\$640,000
Milne Drive	Paraparaumu	2	121	\$972,200	\$960,000
Watson Drive	Paraparaumu	3	170	\$815,000	\$760,000
Webber Street	Paraparaumu	4	279	\$910,000	\$1,000,000
Kotuku Drive	Paraparaumu	4	264	\$1,406,000	\$1,290,000
Falla Street	Paraparaumu	2	90	\$650,000	\$660,000
Golf Road	Paraparaumu	3	166	\$748,000	\$790,000
Watson Drive	Paraparaumu	3	110	\$555,000	\$620,000
Teoti Street	Paraparaumu	3	140	\$820,000	\$720,000
Takahe Drive	Paraparaumu	4	200	\$1,050,000	\$920,000
Hurley Road	Paraparaumu	2	75	\$600,000	\$570,000
Hadfield Place	Paraparaumu	3	160	\$850,000	\$830,000
Manly Street	Paraparaumu	4	310	\$2,415,000	\$2,150,000
Cedar Drive	Paraparaumu	3	200	\$785,000	\$800,000
Consort Close	Paraparaumu	4	182	\$915,000	\$870,000
San Priamo Place	Paraparaumu	3	190	\$889,000	\$870,000
Bluegum Road	Paraparaumu	3	114	\$765,000	\$670,000
Oak Avenue	Paremata	2	100	\$480,000	\$610,000
Paremata Drive	Paremata	3	196	\$870,000	\$860,000
Mana View Road	Paremata	4	170	\$1,022,500	\$1,050,000
Airlie Road	Plimmerton	2	80	\$432,000	\$475,000
Rois Road	Plimmerton	4	270	\$1,219,000	\$1,210,000
Motuhara Road	Plimmerton	2	103	\$835,000	\$820,000
Gordon Road	Plimmerton	5	130	\$800,000	\$840,000
Sunset Parade	Plimmerton	4	285	\$1,370,000	\$1,500,000

Street	Area	Beds	Floor m²	Sold	RV
Matai Road	Raumati	3	150	\$805,000	\$690,000
Avion Terrace	Raumati	4	227	\$1,125,000	\$930,000
Wharemauku Road	Raumati	3	190	\$863,000	\$790,000
Rosetta Road	Raumati	3	80	\$935,000	\$960,000
Raumati Road	Raumati	5	390	\$2,280,000	\$2,100,000
Rimu Road	Raumati	3	90	\$672,000	\$530,000
Fiesta Grove	Raumati	4	296	\$965,000	\$930,000
Huia Road	Raumati	3	123	\$600,000	\$730,000
Rimu Road	Raumati	2	70	\$495,000	\$420,000
Whareroa Road	Raumati	3	97	\$730,000	\$640,000
Dale Road	Raumati	2	60	\$575,000	\$640,000
Renown Road	Raumati	3	123	\$730,000	\$760,000
Harry Shaw Way	Raumati	3	177	\$945,000	\$820,000
Main Road South	Raumati	2	104	\$640,000	\$680,000
Leinster Avenue	Raumati	3	120	\$725,000	\$680,000
Gladys Scott Place	Tawa	4	280	\$1,731,500	\$1,360,000
Stephen Street	Tawa	3	117	\$800,000	\$780,000
Woodman Drive	Tawa	6	260	\$1,000,000	\$930,000
Franklyn Road	Tawa	3	144	\$754,000	\$720,000
Handyside Street	Tawa	3	93	\$720,000	\$720,000
Duncan Street	Tawa	3	114	\$715,000	\$690,000
Turriff Crescent	Tawa	3	190	\$795,000	\$790,000
Taylor Terrace	Tawa	3	120	\$781,000	\$770,000
Bartlett Grove	Tawa	3	120	\$818,000	\$800,000
Lyndhurst Road	Tawa	3	112	\$665,000	\$780,000
Tawa Terrace	Tawa	4	170	\$795,000	\$780,000
Mako View	Titahi Bay	2	80	\$455,000	\$630,000
Kapiti Crescent	Titahi Bay	3	140	\$760,000	\$830,000
John Street	Titahi Bay	3	130	\$750,000	\$860,000
Lambley Road	Titahi Bay	3	115	\$585,000	\$780,000
Greenaway Road	Waikanae	3	134	\$1,125,000	\$850,000
Te Moana Road	Waikanae	3	180	\$840,000	\$810,000
Maple Lane	Waikanae	3	184	\$348,598	\$435,000
Utauta Street	Waikanae	2	82	\$490,000	\$740,000
Huia Street	Waikanae	3	115	\$789,000	\$750,000
Nimmo Avenue West	Waikanae	5	245	\$1,105,000	\$990,000
Hurunui Street	Waikanae	4	280	\$1,410,000	\$1,090,000
Karu Crescent	Waikanae	3	230	\$1,115,000	\$970,000
Awanui Drive	Waikanae	3	190	\$830,000	\$810,000
Elizabeth Street	Waikanae	2	100	\$600,000	\$680,000
Te Moana	Waikanae	3	150	\$955,000	\$940,000
Nimmo Avenue West	Waikanae	3	160	\$825,000	\$770,000
Maple Lane	Waikanae	5	350	\$1,260,000	\$1,190,000
Queens Road	Waikanae	3	130	\$820,000	\$710,000
Tutere Street	Waikanae	2	70	\$1,260,000	\$1,310,000
Weggerly Drive	Waikanae	5	220	\$985,000	\$910,000
Te Moana Road	Waikanae	2	190	\$770,000	\$700,000
Weggerly Drive	Waikanae	3	110	\$715,000	\$650,000
Waiheke Street	Waikanae	4	270	\$1,148,000	\$1,050,000
James Cook Drive	Whitby	5	271	\$1,220,000	\$1,150,000
Oakum Road	Whitby	3	125	\$690,000	\$800,000
Eclipse Lane	Whitby	4	230	\$1,087,000	\$980,000
Longitude Place	Whitby	6	251	\$1,122,000	\$1,070,000
Endeavour Drive	Whitby	3	191	\$1,085,000	\$1,160,000
Young Nicks Lane	Whitby	5	414	\$1,575,000	\$1,550,000
Solander Place	Whitby	4	160	\$735,000	\$810,000
The Anchorage	Whitby	4	280	\$1,111,111	\$1,090,000
Leeward Drive	Whitby	3	140	\$757,500	\$780,000
Staithe Drive South	Whitby	2	70	\$478,500	\$620,000
Furneaux Grove	Whitby	4	290	\$960,000	\$1,050,000
Adventure Drive	Whitby	3	93	\$695,000	\$750,000
Madeira Close	Whitby	3	148	\$830,000	\$900,000
Observatory Close	Whitby	4	213	\$950,000	\$990,000
Pump Lane	Whitby	2	90	\$520,000	\$590,000
Saunders Close	Whitby	4	260	\$665,000	\$1,040,000
Samwell Drive	Whitby	4	270	\$502,500	\$1,000,000
Carvel Lane	Whitby	3	150	\$728,000	\$810,000
The Bollard	Whitby	4	150	\$810,000	\$750,000
The Top Gallant	Whitby	4	330	\$947,500	\$1,040,000
Navigation Drive	Whitby	4	187	\$1,166,000	\$1,160,000
Adventure Drive	Whitby	4	150	\$820,000	\$850,000
Polestar Lane	Whitby	4	200	\$830,000	\$1,010,000

This sampling of recent sales was extracted from data compiled by The Real Estate Institute of NZ and represents sales from all real estate companies in the area and not just Ray White. For privacy purposes no street numbers are published here.