

Property settlements present challenges during alert level four lockdown

A number of issues arising around property settlements, sale and purchase agreements and the general inability for people to give vacant possession when movements are restricted and furniture moving companies are not operating. Electricity and gas services are also unlikely to be able to be connected.

New Zealand Law Society's Property Law Section chair, Duncan Terris, has said that given the current State of Emergency declaration and further advice from Government, it is now clear that any property settlements that require physical movement of people are not essential services, and for all practical purposes unlawful, while New Zealand remains in the COVID-19 Level 4 lockdown.

The Property Law Section of the New Zealand Law Society have recommended using a new clause to amend existing Agreements of Sale and Purchase or Auction Agreements which are due to settle during the Level 4 COVID-19 lockdown:

"The parties agree that settlement is hereby deferred to the 10th working day after the Government reduces the Covid-19 Level to Level 2 or below, or to such other date as may be mutually agreed. For the sake of clarity neither party shall have any claim against the other in relation to this deferral."

Resources:

Property settlements requiring physical movement not essential service

<<https://www.lawsociety.org.nz/news-and-communications/latest-news/news/property-settlements-requiring-physical-movement-not-essential-service>> 26 March 2020

Property Law Section recommends Level 4 property settlement clause

<<https://www.lawsociety.org.nz/news-and-communications/news/property-law-section-recommends-level-4-property-settlement-clause>> 25 March 2020