



NGĀTI WHĀTUA ŌRĀKEI  
WHAI RAWA

A guide for current owners

# Selling a Kāinga Tuatahi home



Ka tū pari tokatoka,  
ka horo pari oneone

A pa built from stone will stand strong,  
that made of earth will crumble

Our aim is for whānau to be living in  
dry, healthy and safe homes on our  
papakāinga, immersed in our culture,  
keeping our home fires burning

Kāinga Tuatahi, was an innovative residential development completed in 2016, designed, developed and financed by Ngāti Whātua Ōrākei for whānau from Ngāti Whātua Ōrākei.

The 30-home development comprising of 18 4-bedroom, nine 3-bedroom and three 2-bedroom homes was designed to sit comfortably on the whenua, reflect the landscape of Tāmaki Makaurau and the culture of Ngāti Whātua Ōrākei.



# Steps for selling your home in Kāinga Tuatahi:



**01**

Notify Whai Rawa



**02**

Find a buyer\*



**03**

Engage a lawyer



**04**

Agree and execute  
a sale and purchase  
agreement



**05**

Complete sale

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\* If you are unable to find a suitable buyer you may sell to Whai Rawa by exercising your Put Option.



# Notify Whai Rawa

Once you notify Whai Rawa that you are considering the sale of your Kāinga Tuatahi home, we will provide you with the Indexed Building Cost. This is the original cost of your home, plus any improvements consented to by Whai Rawa, indexed by the increase in the residential building cost index since the time the home was first completed<sup>1</sup>. This will give you an estimate of what your Home may be worth to a prospective buyer.

As an owner of a Kāinga Tuatahi home, you have the benefit of the Put Option Deed, which gives you the right to require that Whai Rawa repurchase your home at the Indexed Building Cost<sup>2</sup>. If you exercise this right, Whai Rawa is required to complete the purchase of your home within 120 working days (approximately 6 months).

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<sup>1</sup> Most units were completed (issued Code of Compliance) in August 2017. At this time the residential building cost index was 2157. As at 30 June 2021 the residential building cost index was 2555, an increase of 18%. If the original construction cost of your home was \$500,000, the Indexed Building Cost as at 30 June 2021 would be  $\$500,000 \times 2555 \div 2157 = \$592,258$ .

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<sup>2</sup> This right is set out in the Put Option deed. The put option



## Find a Buyer

You have the choice to sell your Kāinga Tuatahi home privately to another buyer, provided that buyer meets the conditions set out in the Lease (which include that the buyer must be a member of Ngāti Whātua Ōrākei, or the spouse of a member, and must use the home as their principal place of residence).

If you find a buyer, you are also free to agree a sale price above the Indexed Building Cost, or a settlement period quicker than 120 working days.

As a general principle, Whai Rawa would prefer owners to conclude a private sale to a new buyer rather than exercising their right to sell the home back to Whai Rawa. Whai Rawa will support the private sale of Kāinga Tuatahi homes by the following means:

- Whai Rawa can notify Ngāti Whātua Ōrākei members via email that the home is for sale;
- Whai Rawa can include simple marketing materials (photos etc) in Ngāti Whātua Ōrākei newsletters and distribution lists; and
- Whai Rawa will offer approved borrowers mortgage funding of up to 95% of the Indexed Building Cost to fund the purchase of the home.

03



## Engage a Lawyer

Whai Rawa requires that both vendors and purchasers of a Kāinga Tuatahi home obtain independent legal advice to ensure you can ask any questions you may have and receive a complete understanding prior to completing a sale and purchase transaction. If you do not have your own lawyer, we can provide a list of lawyers for you to contact and choose from.

04



## Execute a Sale & Purchase Agreement

Once you have agreed the sale price and other key terms with the buyer, your lawyers will assist you and the buyer to agree and execute a sale and purchase agreement.

The sale and purchase agreement will need to be conditional on: (i) the buyer being approved as a suitable new owner in accordance with the conditions set out in the Lease; and (ii) Whai Rawa agreeing to provide mortgage funding to the buyer.

# Buyer to apply to Whai Rawa

The buyer will need to complete an application form, and provide supporting information, to enable Whai Rawa to determine whether the buyer is suitable under the terms of the Lease and qualifies for mortgage finance from Whai Rawa. An application form is included as an appendix to this information pack.

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## Completion

Provided the buyer is approved as suitable under the terms of the Lease and qualifies for mortgage finance from Whai Rawa, the sale will complete in accordance with the Sale and Purchase Agreement.

If for some reason the proposed sale does not complete, you remain free to exercise your Put Option and require Whai Rawa to purchase your home.



# Exercising the Put Option



If you are unable to find a buyer, or you decide you would prefer to sell your home to Whai Rawa at the Indexed Building Cost, then you can exercise your Put Option. To do this you will need to give formal written notice to Whai Rawa, which can be by email. It is a good idea to have your lawyer provide this notice on your behalf, as once it is given it cannot be withdrawn or revoked.

Whai Rawa will purchase your Home within the prescribed timeframe of 120 working days. Whai Rawa will first apply the purchase price to repay any outstanding debt owed under your Loan Agreement or the Lease at the settlement date - you will get the “net” proceeds after these amounts have been repaid.

If you have found a buyer you do not need to use your Put Option, and a new one will be granted to the purchaser once your sale is completed.



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