

Building on land with a section 72 notice for landslide risk

This example shows how natural hazards insurance cover (NHCover) may be affected when a section 72 notice has been placed on the property title to make a home buyer aware of natural hazard risk. A homeowner decides to accept the risk and do additional work while building an extension to his house to reduce the risk to his family home and land from a possible future landslide.

Akram planned to extend the home he bought 5 years ago in Auckland into a family home as he and his wife were having a baby. When Akram was looking to buy the house, his lawyer had flagged that there was a section 72 notice on the property title to make home buyers aware of natural hazard risk. The notice had been placed because the property was known to be at risk of landslides, but Akram wasn't too worried about that at the time and bought the house as he loved the location and view.

During the building consent process for the extension, the section 72 notice was flagged again.

Akram sought further legal advice and learned that if he made a natural hazards insurance claim in the future for landslide damage to his home or land, the Natural Hazards Commission could fully or partly decline that claim.

Deciding how to proceed

Akram took time to consider his options. He spoke with his lawyer, private insurer and the local council to fully understand what the section 72 notice meant for him as a homeowner.

Knowing the risks, Akram decided to continue with the extension. As part of the design and consent process, he worked with his builder and engineer to include additional measures that would reduce the risk of landslide damage to the house and garden.

These included strengthening foundations, managing stormwater, and stabilising parts of the slope as part of the construction work.

Akram also explored with the council what might be required for the section 72 notice to be reviewed in the future.

Making a decision based on risk

Akram went ahead with building his home extension, understanding that he was accepting a known level of natural hazard risk. He felt confident that the extra steps he chose to take during construction would reduce the likelihood of damage and help protect his home and land over time, even though he knew there might still be no NHCover for landslide damage.

"It wasn't a decision I made lightly. But advice meant I knew what I was taking on and could design the extension and add some extra things to manage that risk as best as possible."

For more information

Visit: www.naturalhazards.govt.nz

Call: 0800 DAMAGE (0800 326 243)

If English is not your first language you can ask for an interpreter, at no cost to you.

This document provides a general summary of the insurance we provide under the Natural Hazards Insurance Act 2023, and the Earthquake Commission Act 1993. The relevant Act will always prevail over the content of this flyer.