



Landslip claim highlights real estate disclosure risk

A property sale dispute triggered a significant multi party claim involving allegations of misleading representations.

Claim background

Our client, a real estate agency, was accused of misleading purchasers during the sale of a residential property.

The agency had acted for the vendors in marketing the property, which had previously been affected by a landslip following a flood event. During the sales process, it was communicated to interested parties that remedial works had been carried out to address the issue.

As part of their due diligence, the purchasers asked specific questions about the landslip and the ongoing stability of the property. They later claimed they were assured the issue had been resolved and that the property was no longer at risk.

Following another severe weather event in early 2025, another landslip occurred, causing damage to the property. The purchasers then brought a claim against both the vendors and the agency, alleging the instability had not been clearly disclosed and that they had relied on misleading information when deciding to proceed with the purchase. The claim was valued at approximately \$340,000, and a complaint was also lodged with the Real Estate Authority.

Resolution

After receiving a letter of demand, we notified insurers on behalf of our client and established how their policy would respond. This included confirming that the real estate agent was covered under the policy.

Cover was accepted by the insurers and external legal advisers were appointed to help prepare and manage the response. The defence focused on what had been communicated

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Gallagher’s early involvement helped secure policy coverage and bring in the right expertise, enabling the client to manage a complex, multi-party dispute with confidence and control.

during the sales process, the extent to which the purchasers relied on that information, the agency’s disclosure obligations, and how responsibility should be shared between the vendors and the agency.

The matter also required careful handling of the regulatory complaint alongside the civil claim due to the involvement of the Real Estate Authority.

The Gallagher difference

Gallagher’s proactive involvement and oversight of both the claim and regulatory aspects enabled a coordinated and effective response. By bringing together the right expertise early, we helped the client stay on the front foot while navigating a complex and high-exposure situation.

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