

Cribb v Austin Chalk Co Ltd 22/8/02, Master Venning, HC Christchurch A150/02

Successful application that caveat not lapse - applicants are trustees of Cribb family trust - applicants claimed conditional agreement made with respondents that had 21 days to become unconditional - applicants considered they had negotiated grazing-only lease for \$5,000 per year excluding GST until settlement in 5 years as well - agreement to be referred to respondent's solicitor for confirmation and solicitor instructed to draft agreement - applicants entered into possession and began agreed work on property - respondent then faxed applicants to say they did not wish to continue - applicants lodged caveat - application made to transfer mineral rights on property from respondent to Oxford Lime Company - respondent sought possession of property - applicants counterclaimed for specific performance.

Held, arguable case that negotiations between parties had reached stage where oral agreement for sale and purchase existed and parties intended to be bound pending formal written agreement - agreement for sale and purchase and lease hold properly be regarded as composite agreement - unlikely that applicants would have pursued grazing lease independently of agreement for sale and purchase - lease was to merge or be extinguished on settlement - taking possession and commencing agreed work sufficient part performance by applicants - caveat maintained.