

When Farm Succession Goes Wrong: Lessons from *Sewell v Sewell* [2026] NZHC 1440

A recent High Court decision provides a timely reminder of the importance of clear succession planning for farming families – particularly where land is inherited by more than one family member without an agreed ownership structure or exit mechanism.

In *Sewell v Sewell* [2026] NZHC 1440, the High Court was asked to resolve a long-running dispute between siblings who equally inherited a Gisborne farm from their parents as tenants in common.

While the facts in this case involved one sibling continuing to occupy the farm, the broader issues raised by the decision are relevant to any situation where farming assets are inherited by multiple family members and co-owners later have different financial needs, objectives, or expectations.

The background

The farm, valued at approximately \$3 million, was inherited equally by brother and sister, Grant and Hillary Sewell, following their parents' deaths. Grant had lived on the property for many years and continued occupying the farm after their mother died in 2018 (their father having died some years earlier).

Hillary, meanwhile, was living in Auckland and dealing with serious health issues following a stroke. The Court noted she was unemployed, renting accommodation, and relying on savings and government assistance while waiting to receive her share of the farm. The farm represented most of Hillary's inheritance from her parents and, without access to her share, she had little in the way of assets or financial security for retirement.

Despite ongoing attempts to negotiate a resolution, Hillary was unable to obtain meaningful engagement from Grant regarding buying out her interest, arranging

a valuation, contributing occupation rent, or agreeing to a sale process.

The relationship deteriorated significantly over time. The Court noted Grant had delayed the proceedings repeatedly, was difficult to contact, refused valuers access to parts of the property, and ultimately failed to appear at the hearing.

The Court's approach

Under the Property Law Act 2007, the Court has broad powers to resolve disputes between co-owners of property, including ordering a buy-out between owners, sale of the property and payment of occupation rent or reimbursement of expenses.

Justice Grau found there was clear hardship to Hillary if orders were not made. Her inheritance was effectively "tied up" in a farm she could not access, live on, or derive income from, despite it making up the majority of her parents' estate.

The Court also expressed concern about deterioration of the property, lack of insurance, and the ongoing deadlock between the siblings.

The Court ultimately ordered that:

1. Grant be given two months to purchase Hillary's half share; and
2. if he failed to do so, the farm was to be sold on the open market with vacant possession.

The judgment also addressed issues including occupational rent, maintenance costs, sale expenses, and practical mechanisms to progress a sale where co-owners are no longer cooperating.

Key lessons for farming families

While not every farming succession arrangement will give rise to this type of dispute, the case illustrates the kinds of challenges that can occur where farming assets are inherited by more than one child without clear arrangements around ownership, occupation, valuation, and exit.

Importantly, these challenges are not limited to situations where one family member remains living on

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the farm. Similar issues can arise whenever farming assets are held by family members with differing objectives — for example, where:

- one sibling wants to continue farming while another wants liquidity;
- one family member wishes to retain the property as a long-term investment while another wants a sale;
- co-owners disagree on leasing, development, borrowing, or succession decisions; or
- circumstances change over time due to retirement, health issues, relationship breakdowns, or financial pressure.

This case highlights the importance of putting clear succession and governance arrangements in place early, particularly where farming assets are intended to be inherited by multiple family members. Consideration should be given to documenting:

- a clear buy-out mechanism and valuation process;
- arrangements for occupation and rent;
- responsibility for maintenance and outgoings;
- dispute resolution and deadlock provisions; and
- a mechanism for sale or exit where agreement cannot be reached.

Without clear arrangements, farming assets inherited by multiple family members can become a source of significant emotional, financial, and legal strain for families.

Final thoughts

Sewell v Sewell is a stark example of the difficulties that can arise where farming assets are inherited by more than one family member without a practical framework for how ownership will operate.

For rural families, the decision reinforces that succession planning is not simply about deciding who inherits the farm — it is also about ensuring there is a clear pathway for co-owners to live, work, exit, or realise value fairly in the years that follow.

Want to know more?

If you have any questions about succession planning and ownership structures for farming assets, please contact our specialist [Property](#) and [Private Client](#) teams.