

THE PURCHASE OF YOUR PROPERTY

The Agreement for Sale and Purchase

If the property is being sold through a real estate agent, then the agent will often prepare the agreement. We recommend that we review it, and discuss it with you, before you sign. Once the Agreement is signed by both the vendor and purchaser, it is a binding contract (although it is often still conditional).

If the property is being sold privately, then we can prepare the agreement for you, so it can be submitted to the vendor as your offer to purchase the property.

What conditions should you include in your offer?

We can discuss with you what conditions, if any, you should consider including in the agreement when you make your offer. The most common conditions are:

- Obtaining satisfactory finance (this may include mortgage finance, and/or withdrawal of kiwisaver funds)
- A satisfactory report on the property from a builder
- Our approval of the title (we will search and review the title, and discuss it with you)
- A satisfactory Land Information Memorandum (LIM) from the Council (we can order this for you, and review it)
- Being satisfied you can obtain suitable insurance cover
- The sale of your current property.

The contract will state what date each condition needs to be fulfilled by. We will diary these dates and keep in touch with you with regard to fulfilment.

If you are unable to fulfil the conditions by the required date (and no extension is granted) then either you or the vendor may elect to cancel the contract.

The deposit

We recommend that the contract provides for the deposit to be paid only when the agreement is unconditional, but sometimes it is required to be paid at the time of signing the contract. In most cases the deposit is collected from you by the real estate agent.

32 The Terrace, Wellington 6011
P: 64 4 472 6904
E: info@brandons.co.nz
www.brandons.co.nz

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Possession and Settlement

The contract will provide for a possession date, which is the date you can move into the property (or, for example, arrange for your tenants to move in). The possession date is almost always the same date as the date on which you are bound to pay your purchase money, which is called the settlement date.

The transfer of land is processed electronically through *Landonline*. Prior to settlement, we will ask you to sign an authority and instruction form (A & I) which will authorise us to electronically register the necessary documents. We will need photo identification from you to verify your signature on the A & I and we will discuss with you what ID is acceptable for *Landonline* purposes (this is usually your passport or New Zealand drivers licence).

On the settlement date we will arrange to draw down your loan from your lender and this will be credited to our trust account, together with your own cash contribution (and any kiwisaver funds). We will then arrange for the settlement funds to be transferred to the vendor's solicitors when the vendor's solicitor has provided us with the necessary documentation to ensure that the ownership of the property will be transferred to you.

The transfer of title to you and registration of your mortgage (if any) will take place electronically and a post-registration title search will be generated and sent to us confirming registration. We will send you a copy of the title for your records.

Rates

A notice of sale will be forwarded to the local authority so that future rate demands and valuation notices will issue in your name. The current rates instalment will be apportioned between you and the vendor on the settlement statement that we receive from the vendors solicitor, so that you are only paying for the rates from settlement date.

Insurance

It will be necessary for you to arrange your own insurance cover for the property, and it needs to come into force on the possession date, being the date on which risk passes to you. However, you may wish to take out cover from the time the contract becomes unconditional.

We will discuss your insurance requirements with you as it is important that the cover you obtain is sufficient to cover replacement of the property, and is also acceptable to your lender. We will need to receive a copy of the insurance certificate before settlement, so we can provide this to your lender with the mortgage documentation.

Keys

On settlement the vendor must provide keys or electronic door openers to all exterior doors. Often you will have made your own arrangements with the vendor to pick up the keys to the property or the vendor will have made arrangements for the real estate agent to hold a key.

Once settlement has occurred, the vendors solicitor will let the real estate agent and the vendor know, so they can release the keys to you.

