

# SELLING 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 before you sign, particularly if any changes have been made to the standard form of agreement or the purchaser has added clauses. Once the Agreement is signed by both the vendor and purchaser, it is a binding contract (although is often still conditional on certain matters being satisfied).

If the property is being sold privately, then we can prepare the agreement or the purchasers solicitor may do so. Often when selling privately it is useful to have an agreement available for the purchaser to review (and add any conditions they want to include in their offer).

## *What you need to be aware of when selling your property*

The standard form of contract used for selling property is the form prepared by the Real Estate Institute and the Auckland District Law Society (often called 'the ADLS form'). The standard clauses in the ADLS form include a number of warranties or obligations on the part of the vendor, and these will apply unless deleted or modified.

## *Keys*

On Settlement, you are required to provide the purchaser with keys to all exterior doors (including electronic door openers and security codes). However, you do not have to do so if the only keys etc are held by the tenant.

## *Chattels*

Any chattels being sold with the property must be in reasonable working order, where applicable, but in all other respects, on settlement they must be in the same state of repair as at the date of the agreement. So if, for example, a book shelf that is being sold with the property is damaged after the agreement was signed, but before settlement, you are obliged to repair it. If this is not possible, then you will need to discuss with the purchaser what compensation should be given.

You also warrant that there is no money owing on any of the chattels being sold e.g.; they are not still being paid off under a hire purchase agreement.

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### *Possession and Settlement*

The contract will provide for a possession date, which is the date the purchaser is entitled to move into the property, and therefore is the date by which you need to have moved out. The possession date is almost always the same date as the date on which the purchaser pays for the property, 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 after we have repaid your mortgage, we will be able to pay the net sale proceeds to your bank account. We will need details of your account in order to electronically transfer the funds to you. If your property is in joint names, but the account the funds are to be paid to is not in the same names, then we will require written authority from all of the vendors to pay the funds to that account.

### *Rates*

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

### *Insurance*

You can cancel the insurance for the property once settlement has been completed. We recommend that you do not arrange beforehand for it to be cancelled (even if only to be effective on settlement date) just in case any issues arise and the settlement is delayed.

