

BUYERS CHECKLIST

Before signing an agreement to purchase a property:

1. Consider whether you require the agreement to be subject to:
 - (a) the sale of your property;
 - (b) finance;
 - (c) receipt of a satisfactory LIM Report.
 - (d) specialist inspection/survey (e.g. a building inspection to clarify any structural issues or if buying a piece of land for building purposes then a geotechnical report may be important);
 - (e) certain repairs or building works being carried out by the seller;
 - (f) any outstanding Code Compliance Certificates being obtained by the seller for building works carried out to the property;
 - (g) further information/documentation to be provided by the seller;
 - (h) title checks by us;

and advise the agent so the appropriate conditions can be inserted in the agreement. We can also provide assistance in drafting conditions to best suit your interests for insertion in the contract. We provide a free initial consultation service (limited to 15 minutes of our time). We strongly recommend you consult with us before signing any agreement to buy or sell a property. A few minutes spent checking an agreement before it is signed can avoid many problems.

NOTE: The effect of an unconditional agreement means if you change your mind and decide not to proceed with the purchase you will lose the deposit you have paid when you signed the contract, you will be liable for payment of default interest and you may be liable for damages. You must therefore be 100% certain you wish to proceed (and are able to financially) before entering into an agreement without appropriate conditions in it.

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2. If the property is leasehold find out how long the lease has to run and the annual ground rent (if any) and outgoings.
3. With apartments, check whether the property has a Body Corporate and any associated fees. Find out the annual outgoings and whether there is a sinking fund for future works to the whole building. Ask for a copy of the Body Corporate Minutes for the previous 2 years. This can indicate if there are “leaky building” or other problems.
4. For sections, title investigations by us are extremely important to check whether the required easements and rights of way have been granted for all services to the property. You should ensure the agreement is conditional on you being satisfied in all respects (at your sole discretion) that the property is suitable for its purpose. This will allow us to investigate the title and report to you before the agreement becomes unconditional. It will also allow you to investigate whether the site is able to be built on before the contract becomes unconditional. For recently subdivided sections it is important to check with the Local Authority if financial contributions will be payable when you apply for a Building Consent.
5. For Auctions, if you are the successful bidder, the contract will be unconditional from the start. This means it is extremely important you provide us with the Terms and Conditions of Sale prior to the auction so we can investigate the title to the property and advise you of any other matters of concern. You must also have your finance arranged prior to the auction.
6. You should check whether there have been any alterations to the property and if so, whether the required building regulation approvals and planning consents have been obtained. This can often only be ascertained by examining the property file at the Council to compare plans lodged with the Building Consent with the finished building.
7. For peace of mind, and given that you are investing a substantial amount of money in your new house, we always recommend you obtain a building inspection prior to the contract becoming unconditional.

8. A LIM report will disclose which alterations or works to the house have received council consent or whether any remedial work is required. It will also detail any proposed local authority zoning or other changes to the area or the property and give information about flooding and soil contamination. However a LIM report will only provide detail about matters which are known to the council. Any alterations which the Council do not know about and which do not have consent will not be revealed in the LIM report. Therefore it is extremely important you investigate what alterations have been made to the property and then compare this with the council records. A building inspection will also be able to assist you in determining whether any alterations have been carried out to the property.

NOTE: The above matters are general and the list is not exhaustive. We strongly recommend you take legal advice before signing any agreement to enable us to draw your attention to any problems relating specifically to your proposed purchase.

Prior to settlement:

9. Ensure you have building insurance in place from the date of settlement and check that your contents insurance will transfer to your new address.
10. Put all utilities (gas, electricity, water, telephone, internet) in your name, effective on the settlement date.
11. Notify NZ Post regarding redirection of your mail to your new address;
12. Arrange Electoral Roll Transfer;
13. Advise the Inland Revenue Department, Motor Registry, your banks, accountant, solicitor, hire purchase companies, stores where you have accounts, mobile phone company, doctor, dentist and any other relevant providers of your change of address.

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14. You have the right to carry out a pre-purchase inspection prior to settlement. We recommend you do this as close to settlement as possible (either on the morning of settlement or a day or two before). Make sure:
 - a. you arrange the inspection through the Real Estate Agent;
 - b. there has been no damage to the property since you viewed it;
 - c. any chattels which are to be included in the sale have been left at the property;
 - d. all rubbish has been removed;

15. We will obtain a settlement statement from the seller's solicitor detailing any apportionment of rates between you and the seller on settlement and forward this to you prior to settlement.

DISCLAIMER: These guidelines do not constitute legal advice and are provided for your general information. No warranty (whether express or implied) is given in relation to the information provided.

CONTACT US

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