



AUCTION INFORMATION PACK

HARCOURTSGOLD.CO.NZ

Harcourts gold



PASSING OVER STATEMENT: "This information has been supplied by the vendor or the vendor's agents and Gold Real Estate Group Limited is merely passing over this information as supplied to us. We cannot guarantee its accuracy and reliability as we have not checked, audited, or reviewed the information and all intending purchasers are advised to conduct their own due diligence investigation into this information."



gold's Guide to buying at auction

Auction has fast become the preferred method of buying and selling property in Christchurch. We want to make it as easy and straightforward as possible.

Here are some simple steps to follow:

BUYERS MEETINGS

It is possible for buyers to meet with a member of the Gold Management Team. This is an opportunity for our manager or auctioneer to answer, in an informal environment, any questions you might have about the auction procedure, bidding, what the various terms mean, etc. There is absolutely no obligation, just come, relax, see the layout of the auction room and learn how buying at auction works for you.

REGISTER YOUR INTEREST

If you are interested in the property, be sure to let the salesperson who showed you the home know. This ensures that if another buyer makes an offer before the auction (that the owner will accept) then we are able to contact all registered parties (those who have registered their interest).

PROPERTY INFORMATION

When you purchase at auction the sale is unconditional and legally binding. Therefore before the auction you will need to be satisfied with any property information, e.g. title, LIM and the Particulars and Conditions. Your solicitor can approve these for you.

FINANCE

Before the auction date you will need to have your finance approved. On the day of the auction you will be required to pay a 10% deposit immediately (so remember to bring your bank account details to arrange an electronic transfer of funds).

TERMS AND CONDITIONS

If the terms and conditions are unsuitable to you, it is often possible to change some of these e.g. the settlement date and chattels. This needs to be done before the auction by your salesperson who will obtain the owners' agreement in writing (a Variation to Agreement).

PRE-AUCTION

As a buyer it is a good idea to have a pre-auction meeting with the salesperson who first showed you to the property to discuss the auction, method of bidding, strategies in bidding and any variations that you may require. If you are unfamiliar with bidding or would prefer not to bid yourself, do discuss other options with your salesperson.

At the Harcourts Gold Auctions we are here to help.

Bid confidently on the day!

Conditions of sale by public auction

1. The highest approved bidder will be the buyer subject to:
 - The reserve price; and
 - The seller's approval
2. The Auctioneer reserves the right to bid for and on behalf of the seller.
3. The bidder warrants their ability to enter and complete the Contract of Sale in accordance with its terms.
4. Any person bidding on behalf of another person must provide the Auctioneer with a copy of their written authority before the auction; otherwise the bidder will be taken to be acting on their own behalf.
5. The Auctioneer has the discretion to refuse to accept any bid from any person. A bid will be taken to be accepted and irrevocable unless the Auctioneer - immediately after the bid is made - refuses it.
6. The decision of the Auctioneer is final in all matters relating to the auction and no bidder has any right of recourse against the Auctioneer or the seller.
7. Without affecting Condition 6, if there is any dispute over a bid, the Auctioneer may:
 - re-open the bidding and resubmit the property for sale, starting with the highest bid previously accepted; or
 - determine the dispute in any other way the Auctioneer considers appropriate at his/her absolute discretion.
8. Immediately on the fall of the hammer for the third and final time, the bidder of the highest bid accepted must sign, as buyer, the Contract of Sale in the form displayed or circulated with these conditions of sale, and pay the deposit to the nominated stakeholder.
9. The deposit payable under the Contract of Sale is 10% of the successful bid or any other percentage or figure nominated in the Contract of Sale.
10. The seller and the buyer agree to sign all documents and do everything else necessary to transfer the property to the buyer. The seller and buyer each appoint the Auctioneer their agent to sign the Contract of Sale on their behalf. This appointment is non-revocable.
11. If the buyer does not pay the deposit, at the seller's option:
 - the result of the auction will be treated as invalid and the property may be resubmitted to public auction at the risk and expense of that buyer; or
 - the seller may affirm the Contract of Sale and pursue their legal and other remedies against the buyer as they see fit.
12. Insert special conditions (if any).

All the buyer needs to know about auction

DO I HAVE TO BE IN A CASH POSITION TO BID?

The straight answer is yes! To bid at an auction, you need to be bidding on a cash unconditional basis. 10% deposit is required on the day of the auction, the balance is due on the settlement date. However, as explained below, you may talk to your consultant or the auctioneer about extending the settlement date, giving you longer to arrange money. Also with an auction you may have a lead-up period of up to four weeks which may also allow you to get into a cash position.

HOW DO I WORK OUT THE PRICE?

The auction system allows you, the market, to firstly appreciate the house and then determine the price. We find as marketers that some people literally become experts in a particular price range and they are able to indicate fairly accurately what the home is worth. They do this by drawing on experience from the homes they have looked at in that particular price bracket.

If you need help with a guide to the price, ask the consultant for guidance. Whilst you will not get the actual figures, a consultant will refer you to homes of a similar price or in a similar bracket that they believe indicate a reasonable price for the auction home. You may also decide to get a valuation.

WHAT ABOUT SELLING MY HOUSE?

The fact that you own a home is not detrimental to your buying at auction. Talk to your consultant about whether they have somebody 'waiting' for a home like yours as an early sale may be closer than you think. It's worth remembering other buyers will be in the same position you are, and if you get a cash offer on your home, you are in an extremely strong position to either buy the auction property before, or on, auction day.

If you believe your home is 'saleable' you may consider talking to your sales consultant about extending the settlement date on the auction property, thus giving you extra time to get your home sold.

HOW DO I BORROW MONEY WHEN I DON'T KNOW THE PRICE?

Most lending institutions are now conversant with the modern auction techniques and once you have worked out the price you believe the property is worth as in question two, when you discuss this with banks or lending institutions, you will find they believe it quite acceptable to agree to lend you money up to a certain 'bidding price'. You will then know just how high you can bid at an auction. Overall though, the fact that you are borrowing money should not prevent you from bidding or buying at auction.

CAN I HAVE SOMEONE ELSE BID FOR ME?

Of course! Anyone may bid for you on auction day. They may, if they are a professional person, require written advice as to how high you wish them to go. Other bidders could be your solicitor, perhaps an experienced member of your family or valuer. With the permission of Seller(s), and with prior notification, you may also bid by phone.

WHAT ARE THE NORMAL CONDITIONS I COULD BUY UNDER?

10% of the purchase price is required to be paid on the auction day if you are the successful bidder. Payment of the deposit is made by electronic transfer.

When you bid at an auction you are buying unconditionally and for cash, i.e. if your bid is successful, you have bought the home. There is no subject to finance, or subject to house sale, you have bought the house. There is nothing to be wary of as long as you have done your homework, and have sought the correct advice along the way. You are essentially making a cash unconditional offer.

Settlement is as per the Particulars and Conditions of Sale, and can be up to three months after the auction date, particularly if you have a property to sell. Some Sellers will consider variations and these are recorded individually on an 'Aside Agreement' to allow potential buyers to be able to bid on the day.

CAN I BUY BEFORE AUCTION DAY?

Some Sellers may consider selling before auction day, some may not. They would normally need to believe that the offer was a very good one to convince them to sell prior to auction. Because the property is going to auction, if an acceptable pre auction offer is tabled, all interested parties are contacted. See the attached page 'Pre Auction Sale - Buyer's Form' which explains how it will be handled.

Chattels are normally mentioned in the Particulars and Conditions. Look for them and make sure they tie in exactly with what you believe is being left in the home.

GST will also be mentioned in the Particulars and Conditions and you should check that this tallies with what you believe. Note that on residential homes there is normally no GST payable.

WHAT IS A VENDOR BID?

The Conditions of Sale state that the Seller(s) has the right to bid through the auctioneer. This bid may be used to start the auction or by the auctioneer during the auction to increase the bidding for the Vendor. Vendor bids WILL NOT be exercised once the reserve has been reached.

WHAT ARE THE PARTICULARS AND CONDITIONS OF SALE?

This is the Contract that you will sign if you are the successful bidder on the day. It is simply a contract that spells out the conditions you have bought the home on (see "What are the normal conditions I would buy under?"), and binds you to the purchase of the home. It also binds the Seller(s) to sell to you as per the auction bidding.

The Particulars and Conditions are available prior to the auction. If you have any doubts on wording, clauses included, then you should consult the sales consultant concerned, or your solicitor. Note that if you buy before an auction or at the auction you will use the standard Auction Particulars and Conditions of Sale Agreement. This may also be used immediately after the auction. If the property is 'passed in' and you are then interested in offering on the property the standard Sale and Purchase Agreement designed by the Auckland District Law Society and Real Estate Institute NZ is likely to be used.

Pre-Auction Offer & Procedure

ACKNOWLEDGEMENT

Property _____

Seller _____

Purchaser _____

ACKNOWLEDGEMENT

- a. The seller confirms to the licensee that they wish to sell their property at auction and an auction date has been set for the property.
- b. The seller wishes to accept pre-auction offers, which will be conducted in accordance with this **Harcourts Pre-Auction Offer Procedure** agreement.
- c. All pre-auction offers must be prepared using the REINZ Auction agreement and must be unconditional.
- d. The seller retains the right to withdraw from an auction entirely before a pre-auction offer is signed. This means that the seller can cancel an already scheduled auction in order to sell the property to a specific purchaser. However, once a pre-auction offer is signed by the seller, then this pre-auction offer procedure will be binding on the seller.
- e. If the pre-auction offer is not at an acceptable level, the seller will not counter-sign it, and the prospective purchaser will be told that the pre-auction offer was not acceptable.
- f. If the pre-auction offer is at an acceptable level, and the seller chooses to follow the **Harcourts Pre auction Offer Procedure** by signing the pre-auction offer, then the acceptable price will become the reserve price for the brought forward auction.
Note: A reserve form must be completed and signed by vendors at this time.
- g. The purchaser accepts that other prospective purchasers may have already expressed their interest in the property, such that the sales consultant will have a duty to contact all interested parties in the event that an acceptable pre auction offer is made to allow them an opportunity to bid at the brought forward auction.
- h. It is recommended that the brought forward auction be a minimum of 48 hours after the pre-auction offer is signed by the vendor, and includes one full working day from the date the seller signs the Particulars and Conditions of Sale of Real Estate by Auction form.

The following clause is inserted into the auction contract prior to the offer being signed by the purchaser.

Pre-auction Offer Condition

This Agreement is conditional upon the Seller (Vendor) not selling the Property at a higher price (than the purchase price in the Agreement) at the brought forward Auction either at the fall of the hammer or at such time that the auctioneer announces that the auction is at the end.

As soon as is reasonably practicable following the brought forward auction having been completed, the Vendor shall notify the Purchaser in writing as to whether or not the condition in this clause has been satisfied.

For the avoidance of doubt, this pre-auction offer condition must be satisfied before this Agreement becomes unconditional in all respects.

By signing this Pre-auction Offer & Procedure Acknowledgement, the Seller and the Purchaser both acknowledge that:

1. The licensee has thoroughly explained and discussed the meaning and implications of the **Harcourts Pre-auction Offer Procedure** to the seller and to the purchaser; and
2. The seller and the purchaser understand their rights and obligations under the **Harcourts Pre-auction Offer & Procedure**; and

Initials here: _____

Page 1 of 2

3. The seller and the purchaser agree to be bound by the terms contained in the **Harcourts Pre-auction Offer & Procedure**; and
4. The licensee has recommended that the seller and the purchaser seek independent legal, technical, or other advice (as the seller or purchaser may require) on the **Harcourts Pre-auction Offer Procedure** and any other documentation prior to signing any documents, and that the parties have either taken such advice or have waived their right to do so; and
5. The purchaser confirms that the Pre-auction Offer has been signed and includes:
 - a. the purchase price; and
 - b. immediate payment of the deposit (equivalent to 10% of the purchase price) to the licensee by bank transfer in cleared funds upon the Pre-auction Offer being declared unconditional at the brought-forward auction; and
 - c. the Pre-auction Offer Condition enclosed above;
6. Once the Pre-auction Offer is signed by the Seller:
 - (a) the Pre-auction Offer remains conditional upon the outcome of the brought-forward auction; and
 - (b) the seller is bound to sell their property to the purchaser if a higher price is not received at the brought forward auction; and
 - (c) the seller cannot withdraw the property from auction; and
 - (d) the purchaser cannot withdraw its pre-auction offer; and
 - (e) the seller cannot change the reserve price (which must be equivalent to the purchase price in the Pre-auction Offer); and
 - (f) the purchase price in the Pre-auction Offer is not a bid and will not be treated as a bid at the auction; and
 - (g) the purchaser may attend the auction and may bid separately

THE BROUGHT-FORWARD AUCTION DETAILS:

Brought-forward auction shall be held on _____ at 471 Papanui Road

Signed by the Seller: _____

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Signed by the Purchaser: _____

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

Print Name: _____

Trustee/Director/Authorised Signatory

gold Aside Agreement

VARIATIONS TO PARTICULARS AND CONDITIONS

The Seller(s) agrees that the terms and conditions for the auction of:

.....

Offered for sale by public auction by gold Real Estate Group Ltd

on:
(date)

Are varied as follows:

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Buyer Name(s) & Signature(s):

Seller(s) Name(s) & Signature(s):

Consultant Representative Name:

Consultant Representative Office:

Vendor(s) Accepts/Declines Date

DISCLAIMER: The information contained in this document is not intended to form professional legal advice or legal opinion on any particular matter.

1. GENERAL

- 1.1 When conducting the sale of a property by auction, members should not engage in any conduct which is misleading or deceptive or is likely to mislead or deceive. This principle applies to conduct prior to, at and after the auction.
- 1.2 Nothing in this Guide limits or diminishes members' obligations to report suspected misconduct or unsatisfactory conduct of a licensee to the Real Estate Agents Authority as required under the Real Estate Agents Act 2008 and/or its regulations.

2. BEFORE THE AUCTION

- 2.1 Members should not advertise a property as being for sale by auction unless there is intended to be an auction and unless a written auction authority form has been duly executed by or on behalf of the seller.
- 2.2 Members should provide a copy of this Best Practice Guide to prospective sellers prior to having them sign the auction authority.
- 2.3 Sellers should sign an acknowledgment of acceptance of the terms of this Guide, which should form part of the auction authority.
- 2.4 Prior to the auction, the member should make available for inspection the terms and conditions under which the sale of the property by auction will be undertaken.
- 2.5 If applicable, the member should specify in such terms and conditions of sale that the seller reserves the right to bid either personally or through an agent.
- 2.6 The member should make this Guide available for inspection prior to the auction.
- 2.7 Members should make reasonable endeavours to inform all interested parties if a property is to be withdrawn from auction or is to be sold prior to auction.

3. AT THE AUCTION

- 3.1 The auctioneer should conduct the auction at all times with integrity and in compliance with the law of New Zealand and this Guide.
- 3.2 The terms and conditions of sale should be on display and available for inspection, together with this Guide, at the auction. Any portion of the terms and conditions of sale relating to the description of the property will be read aloud by the auctioneer at the commencement of the auction of that property.
- 3.3 Before commencement of the bidding for a property, the auctioneer should announce whether the seller has set a reserve price. The reserve price, if any, should not be disclosed to bidders.
- 3.4 Before commencement of the bidding for a property, the auctioneer should announce whether the seller has reserved the right to bid one or more times at any level below the reserve price at the auction and, if so:
 - (a) Whether the member has been appointed to bid on behalf of the seller and, in such case, that all bids made on behalf of the seller will be made and declared by the auctioneer; or
 - (b) Whether the seller or some other person will be bidding on behalf of the seller and should identify that person in which case any bid made by that person should be declared by the auctioneer.

Neither the member nor any salesperson engaged by the member should make or assist any other person to make any bid on behalf of the seller in contravention of any announcement by the auctioneer pursuant to this clause. The member, or any salesperson engaged by the member, should immediately advise the auctioneer of any bid which they believe to be made in contravention of this clause.

- 3.5 Where the seller does not provide the auctioneer with a written reserve prior to the auction, the auctioneer should announce that the property is to be sold without reserve and no bid should be made by or on behalf of the seller at the auction.
- 3.6 In making a bid on behalf of the seller at the auction, the auctioneer should exercise his/her independent judgement.
- 3.7 Where in advance of the auction, any contractor/employee of the member or the auctioneer has been requested to bid for a prospective buyer, whether that buyer is present or absent, the auctioneer will announce that fact and identify those contractors/employees who will be so bidding.
- 3.8 The auctioneer should ensure that the amount of any bid is clearly stated.
- 3.9 The auctioneer may refuse any bid.
- 3.10 The auctioneer should resolve any disputed bid in accordance with the terms and conditions of sale governing the auction.

If such terms and conditions do not specify how disputed bids are to be resolved, then the auctioneer should resolve any disputed bid in accordance with the Particulars and Conditions of Sale by Auction 4th Edition (or any document approved by the REINZ in substitution thereof).
- 3.11 Under no circumstances will a bid by or on behalf of the seller be exercised by the auctioneer at or in excess of the seller's reserve price.
- 3.12 The auctioneer will always clearly announce if the property is about to be sold under the hammer.
- 3.13 Subject to the reserve price being reached, the highest bidder should be the buyer.
- 3.14 If the seller so instructs, the auctioneer will announce during the course of the auction that in the event of the property being passed in the highest bidder will have the first right of purchase of the property at the seller's reserve price.

4. AFTER THE AUCTION

- 4.1 If a property is passed in at auction, no post auction advertising for the property should make any reference to any seller bid made for the property at the auction.

Auction Authority and Bidding Acknowledgement

Property Address: _____

I/We as prospective purchasers: _____

FOR SALE BY AUCTION ON: _____

Bidding in person / Bid by telephone (Agent to delete) if bidding by phone authorised phone number: _____

ACKNOWLEDGEMENTS

I/we as Purchaser(s) ("we" hereafter) of the above property hereby acknowledge that prior to entering into and signing this Contract that :

1. I/we were given a copy of the REA Approved Guide and advised that we may have to provide proof to our solicitor of a NZ IRD Tax no. and NZ bank account in my/our name and advised of Gold Real Estate Group Limited's in-house complaints process, and
2. I/we were advised that our solicitor will have AML obligations under the Anti-Money Laundering Act 2009 as well as possibly OIA obligations under the Overseas Investment Act 2005 which we agree we will discuss with him/her and that we have been specifically advised to seek any necessary specialist legal, taxation, or valuation advice, and
3. If I/we have been advised of any of the following matters then I/we acknowledge we have been recommended to seek specific legal advice or any technical, or specialist advice of our choice concerning:
 - (a) Any house built between 1990's – 2006's which may be prone to weather tightness issues, or built with monolithic cladding eg. Polystyrene, / Triple S, / Harditex / Hardiplank
 - (b) Asbestos which maybe a common building material that may be present in some houses.
 - (c) Any house built in the 1970's – 1980's which may be prone to Dux Quest plumbing materials or systems.
 - (d) If the property is being purchased for use as a residential investment property that I/we will need to undertake my/our own due diligence as to whether the property complies with all relevant legislation especially but not limited to the Residential Tenancies Act 1986 / Residential Tenancies (Healthy Homes Standards) Regulations 2019 and / or any possible Meth contamination / necessity for testing, and
4. I/we acknowledge that the property being purchased may not be weather tight and could be affected by moisture or water build up, or penetration of external moisture or water. I/we acknowledge that we have been recommended to seek specific technical or specialist advice in relation to these areas.
5. I/we acknowledge that I/we have been advised to access online property file/property information pack and to ensure we are aware of and taken advice concerning all of the information contained therein.
6. I/We have obtained all necessary authorisations (including under privacy law) to allow the Licensee Agent's collection, storage, use and disclosure of information outlined in Harcourts' Privacy Policy (including information about an identifiable individual (Personal Information) pertaining to the Agreement for Sale and Purchase of the Property, upon the agreement becoming unconditional, for the purposes of:
 - i. providing information about the products and services of the Licensee Agent and to other third parties with whom the Licensee Agent has business partner relationships;
 - ii. obtaining your feedback on customer experience;
 - iii. conducting the Licensee Agent's marketing and promotional activities;
 - iv. generating and publishing sales and other reports (whether generated by the Licensee Agent, REINZ or by any third party accessing such information); and
 - v. any related purposes.

_____ [Purchasers initials]

VIEWING THE PROPERTY

7. I/we were strongly advised to view the property prior to submitting any written offer, or before bidding at any auction. I/we hereby specifically acknowledge and confirm that by purchasing without viewing the said property I/we may not have seen all the features and all the property details, area, and locale and therefore may not have a full understanding of the subject property. I/we warrant and undertake that I am/we are not relying on any representation, warranty, description or statement made in any way whatsoever by Gold Real Estate Group Limited or the agent cannot guarantee that the property is fit for the intended use by me/us.

CONSENTS

TERMS OF AUTHORITY TO BID

8. I/we undertake that should I/we be the successful bidder at the Auction of the Property above I/we will execute the Auction Sale Contract immediately, and I/we acknowledge that the acceptance of any bid by telephone is irrevocably binding upon me in terms of the Particulars and Conditions of Sale in the same manner as if I/we were personally present at the auction.

This authority is subject to the consent of the vendor as outlined below. I/we further indemnify Gold Real Estate Group Limited from any liability whatsoever arising from one of their Licensed Sales Consultants bidding at auction on my/our behalf.

8. If the proposed purchaser is/is to be a Trust / Company then the person(s) signing this Authority hereby absolutely warrant and represent that they have the necessary authority of all Trustees / Directors to enter into this Authority and further represent that all Trustees / Directors have consented to this Authority. If not then any signatory herein agrees to be personally liable for any bidding or purchase.
9. I/we understand and acknowledge that before my/our lawyer can act on behalf of myself/us, they must complete customer due diligence (CDD) on me under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT). If my lawyer cannot complete customer due diligence on me/us and cannot act for me/us as a result, I/we may not be able to satisfy conditions under the agreement or settle the property purchase. This may result in me/us incurring liability to the vendor.
10. I/we will provide a copy of a valid form of photo identification (Passport or Drivers Licence) if requested.

_____ [Purchasers initials]

DISCLOSURES

RELATED PARTY TRANSACTION - SECTION 136

We acknowledge that if the owner of the property is a Sales Consultant or Employee of Gold Real Estate Group Limited, or a person related to them, that this has been disclosed to us.

MULTI-OFFER

We further acknowledge that if we are entering into a multiple offer situation for the purchase of the property that we were advised of the process and that the owner has sole discretion as to any continued negotiation or acceptance.

FURTHER DISCLOSURES

We confirm and acknowledge that the following statements, matters, or documents were specifically stated to us or disclosed to us during the sale and marketing process and prior to entering into and signing this Contract.

FURTHER DISCLOSURES

FINAL ACKNOWLEDGEMENT

We further acknowledge that at the time of entry into this contract we did so freely and voluntarily, without any pressure, undue influence or duress, and that we understood the contract terms and conditions. We were recommended to obtain legal advice and any technical, or specialist taxation or valuation advice of our choice prior to entering into this contract and if we did not do so we acknowledge we were strongly advised to obtain such legal advice and any technical, or specialist taxation or valuation advice of our choice and we elected not to obtain the same before entering into this contract, notwithstanding the recommendations provided by Gold Real Estate Group Limited.

SIGNED

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

OWNER FINAL ACKNOWLEDGEMENT

I/We the Owner/s of the property HEREBY CONSENT to the Purchaser/s named above bidding, and further agree that I/we entered into this Auction Authority did so freely and voluntarily, without any pressure, undue influence or duress, and acknowledge we were recommended to obtain legal advice and offered the right of other technical / specialist advice of our choice before entering into the same.

SIGNED

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Harcourts In-House

COMPLAINTS PROCEDURE

<https://www.homes4sale.co.nz/consumer-advice/>

HARCOURTS COMPLAINTS AND DISPUTES RESOLUTION PROCEDURE

Harcourts is committed to handling any complaints or disputes that do arise professionally, fairly, and expeditiously.

Our standard in-house procedure is outlined below:

1. Any client or customer who wishes to make a complaint will be referred to the manager of the relevant office.
2. If the complainant is not satisfied with the response received from the manager they can make a written complaint to Harcourts Group Ltd (the franchisor), preferably using the Harcourts Complaint Form. (See Contact details for Gold Real Estate Group Below)
3. Harcourts Group Ltd will acknowledge receipt of the complaint and commence a review, which if deemed necessary may involve discussion with all relevant parties.
4. Harcourts Group Ltd will respond to the complainant upon completion of its review of the complaint.
5. If the complainant is dissatisfied with the outcome Harcourts will suggest a further course of action.

Please note: Customers or clients may access the Real Estate Agents Authority's complaints process without first using our in-house procedure; and any use of Harcourts in-house procedure does not preclude a customer or client from making a complaint to the Authority.

CONTACT DETAILS

Gold Real Estate Group LTD

Chris Kennedy, Business Owner and Managing Director

03 352 6166 or 027 433 5828

chris.kennedy@harcourtsgold.co.nz

How to find our Auction Rooms



Buying or selling your property?



New Zealand Residential Property
Sale and Purchase Agreement Guide





This guide tells you...

what a sale and purchase agreement is

what's in a sale and purchase agreement

what happens after you sign the sale and purchase agreement

what happens if you have a problem

where to go for more information

Where to go for more information

This guide is available in other languages. You can find translated copies of this guide on rea.govt.nz and settled.govt.nz.

The New Zealand Residential Property Agency Agreement Guide is also available on settled.govt.nz. The guide tells you more about the agreement you sign with the agency helping to sell your property.

We welcome any feedback you have on this publication.

The information in this guide was accurate when published. However, the requirements this information is based on can change at any time. Up-to-date information is available at rea.govt.nz.

Key things to know about sale and purchase agreements

- A sale and purchase agreement is a legally binding contract between you and the other party involved in buying or selling a property.
- You must sign a written sale and purchase agreement to buy or sell a property.
- You need to read and understand the sale and purchase agreement before you sign it.
- Even if a standard sale and purchase agreement is being used, you should always get legal advice before you sign the agreement and throughout the buying and selling process.
- You can negotiate some of the terms and conditions in a sale and purchase agreement.
- You can include additional clauses, such as what to do if there are special circumstances. Your lawyer plays an important role in providing advice on what the sale and purchase agreement should say.
- A sale and purchase agreement becomes unconditional once all the conditions are met.
- In most cases, the real estate professional is working for the seller of the property, but they must treat the buyer fairly.
- If your real estate professional or anyone related to them wants to buy your property, they must get your written consent to do this. They must also give you a valuation of your property by an independent registered valuer.
- The sale and purchase agreement is only available in English. You may need assistance interpreting it if English is not your primary language.

What a sale and purchase agreement is

A sale and purchase agreement is a legally binding contract between you and the other party involved in buying or selling a property. It sets out all the details, terms and conditions of the sale. This includes things such as the price, any chattels being sold with the property, whether the buyer

needs to sell another property first or needs a property inspection and the settlement date.

A sale and purchase agreement provides certainty to both the buyer and the seller about what will happen when.



What's in a sale and purchase agreement

Your sale and purchase agreement should include the following things.

Basic details of the sale

Different sale methods like tender or auction might mean the sale and purchase agreement can look different, but all sale and purchase agreements should contain:

- the names of the people buying and selling the property
- the address of the property
- the type of title, for example, freehold or leasehold
- the price
- any deposit the buyer must pay
- any chattels being sold with the property, for example, whiteware or curtains
- any specific conditions you or the other party want fulfilled
- how many working days you have to fulfil your conditions (if there are any conditions)
- the settlement date (the date the buyer pays the rest of the amount for the property, which is usually also the day they can move in)
- the rate of interest the buyer must pay on any overdue payments (such as being late on paying the deposit or the remaining amount at the settlement date).

General obligations and conditions you have to comply with

The sale and purchase agreement includes general obligations and conditions that you will need to comply with. For example, these may include:

- access rights – what access the buyer can have to inspect the property before settlement day
- insurance – to make sure the property remains insured until the settlement date and outline what will happen if any damage occurs before settlement day
- default by the buyer – the buyer may have to compensate the seller if they don't settle on time, for example, with interest payments
- default by the seller – the seller may have to compensate the buyer if they don't settle on time, for example, by paying accommodation costs
- eligibility to buy property in New Zealand – people who have migrated to New Zealand may not be permitted to immediately buy property or may need to get consent from the Overseas Investment Office.

Your lawyer will explain these clauses to you.

Check...

Always check your sale and purchase agreement with a lawyer before signing.

Buying or selling a property where the owner isn't able to participate, like a mortgagee sale or deceased estate, can mean the real estate professional has limited information about the property. It pays to allow for this when deciding what conditions the buyer and seller might need.

Remember...

Before you sign a sale and purchase agreement, whether you're the buyer or the seller, the real estate professional must give you a copy of this guide. They must also ask you to confirm in writing that you've received it.

Specific conditions a buyer may include

Some buyers will present an unconditional offer, which means there are no specific conditions to be fulfilled. Some buyers will include one or more conditions (that must be fulfilled by a specified date) in their offer such as:

- title search – this is done by the buyer's lawyer to check who the legal owner of the property is and to see if there are any other interests over the property such as caveats or easements
- finance – this refers to the buyer arranging payment, often requiring bank approval for a mortgage or loan
- valuation report – a bank may require the buyer to obtain a valuation of the property (an estimate of the property's worth on the current market) before they agree to a loan
- Land Information Memorandum (LIM) – provided by the local council, this report provides information about the property such as rates, building permits and consents, drainage, planning and other important information
- property inspection – a buyer paying for an inspection provides an independent overview of the condition of the property rather than relying on an inspection that has been arranged by the seller

- engineer's or surveyor's report – similar to the above but more focused on the entire section and the structure of the property
- sale of another home – the buyer may need to sell their own home in order to buy another.

The real estate professional helps the buyer and the seller to include the conditions they each want. Even though the real estate professional works for the seller, they also have to deal fairly and honestly with the buyer. While they're not expected to discover hidden defects, they can't withhold information and must tell the buyer about any known defects with the property. If a buyer needs time to check a property for defects, including a property inspection condition may be important.



What happens after you sign the sale and purchase agreement

Signing the sale and purchase agreement is not the end of the sale or purchase process.

Both parties work through the conditions until the agreement is unconditional

A conditional agreement means the sale and purchase agreement has one or more conditions that must be met by a specified date and before the sale goes through.

The buyer pays the deposit. Depending on what the sale and purchase agreement says, the buyer may pay the deposit when they sign the agreement or when the agreement becomes unconditional. If the deposit is made to the real estate agency, it must be held in their agency's trust account for 10 working days before it can be released to the seller.

An agreement for sale and purchase commits you to buy or sell

Once you've signed the sale and purchase agreement and any conditions set out in it have been met, you must complete the sale or purchase of the property.

The length of time between the conditions being met and the settlement date varies. Settlement periods can be lengthy if the property hasn't been built yet or the sale and purchase agreement includes conditions for one party to buy or sell another property. The real estate professional has obligations to keep you informed of important updates that come up during this time.

Pre-settlement inspection

This is the chance for the buyer to check the property and chattels are in the same condition they were when the sale and purchase agreement was signed and to check that the seller has met any conditions, for example, there is no damage to walls or chattels haven't been removed from the property.

It's important to raise any concerns you find at the pre-settlement inspection with your lawyer and the real estate professional as soon as possible to allow enough time for an issue to be resolved. If it's less than 24 hours before settlement, the vendor may not be obligated to set things right.

Payment of a commission

Once the sale is complete, the seller pays the real estate professional for their services. The real estate agency usually takes the commission from the deposit they're holding in their trust account. The seller should make sure the deposit is enough to cover the commission. The real estate professional cannot ask the buyer to pay for their services if they have been engaged by the seller.

The buyer pays the rest

The buyer pays the remainder of the amount for the property on the day of settlement, usually through their lawyer.

Buying a tenanted property

If the property is tenanted, the agreement for sale and purchase should specify this. It may also contain a specific date for possession that may differ from the settlement date.

If the buyer requires the property to be sold with 'vacant possession', it is the seller's responsibility to give the tenant notice to vacate in accordance with the tenant's legal rights.

It is recommended that you seek legal advice if you are buying a property that is currently tenanted.

What happens if you have a problem

If something has gone wrong, first discuss your concern with the real estate professional or their manager. All agencies must have in-house procedures for resolving complaints.

If you can't resolve the issue with the real estate agency or you don't feel comfortable discussing it with them, you can contact the Real Estate Authority (REA). We can help in a number of ways if your complaint is about the real estate professional. For example, we can help you and the real estate professional or agency to resolve

the issue and remind them of their obligations under the Real Estate Agents Act 2008. When you contact us, we'll work with you to help you decide the best thing to do.

Call us on **0800 367 7322**, email us at info@rea.govt.nz or visit us online at rea.govt.nz

About settled.govt.nz



Settled.govt.nz guides you through home buying and selling.

Buying or selling your home is one of the biggest financial decisions you will make. It's a complex and sometimes stressful process with potentially significant emotional and financial impacts if things go wrong.

Settled.govt.nz provides comprehensive independent information and guidance for home buyers and sellers. You can find information about the risks and how they can impact you and get useful tips on how to avoid some of the major potential problems.

Settled.govt.nz will help to inform and guide you through the process from when you're thinking of buying or selling right through to when you're moving in or out. You'll find valuable information, checklists, quizzes, videos and tools. From understanding LIMs, to sale and purchase agreements, to when to contact a lawyer, **settled.govt.nz** explains what you need to know.

Settled.govt.nz is brought to you by the Real Estate Authority – Te Mana Papawhenua (REA).

For more information

For more information on home buying and selling, visit settled.govt.nz or email info@settled.govt.nz



About the Real Estate Authority – Te Mana Papawhenua (REA)

REA is the independent government agency that regulates the New Zealand real estate profession.

Our purpose is to promote and protect the interests of consumers buying and selling real estate and to promote public confidence in the performance of real estate agency work.

What we do

Our job is to promote a high standard of conduct in the real estate profession and protect buyers and sellers of property from harm.

- We provide independent information for people who are buying and selling property through our settled.govt.nz website.
- We provide guidance for real estate professionals and oversee a complaints process.
- We license people and companies working in the real estate industry.

- We maintain a Code of Conduct setting out the professional standards real estate professionals must follow.
- We maintain a public register of real estate professionals that includes information about disciplinary action taken in the last 3 years.

The Real Estate Agents Authority is a Crown agent, established under the Real Estate Agents Act 2008. The Real Estate Authority is the operating name of the Real Estate Agents Authority.

For more information

To find out more about
REA, visit rea.govt.nz,
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