



Further information

Harcourts
Holmwood
my kind of people

holmwood.co.nz



Ten Top Reasons To Use A Mortgage Express Adviser

1. Get professional, objective advice on your financial options.

Mortgage Advisers are not restricted to any one bank or range of products. They work for you and can make objective recommendations on financing solutions through a variety of lenders.

2. Save time with convenient one-stop-shopping.

Mortgage Advisers do the research and shopping for you so there's no need for you to waste time organising appointments with competing mortgage lenders when you could be house-hunting!

3. Negotiating on your behalf.

Negotiating can be stressful. Mortgage Advisers act in your best interest and do all the negotiating to secure competitive rates and terms that make sense for you.

4. More choices.

With a network of major lenders and products to choose from, Mortgage Advisers can source your ideal mortgage options from banks, credit unions, non-traditional lenders and more.

5. Assurance that you're getting the best rates and terms.

Mortgage Advisers have the negotiating power because lenders compete for their business. To you that means the best rates and terms for your individual needs.

6. Fast and efficient.

From the initial assessment of your unique situation right through the closing process, transactions move quickly when working with a Mortgage Adviser.

7. Pre-qualifying.

A Mortgage Adviser can assist you to work out the maximum amount the lenders will loan to you for the purchase of your home. Mortgage Advisers will help you to work out your finance options and can even assist you to lock in the interest rate for guard against interest rate fluctuations.

8. Expertise.

Mortgage Advisers are specialists providing expert advice and guidance on mortgage products, interest rates and current housing market conditions.

9. No cost to you.

Mortgage Advisers are paid by lending institutions which in the vast majority of cases means there's no cost to you and no surprises.

10. Ongoing support.

Even after your successful mortgage transaction, Mortgage Advisers are a great resource for advice, queries or future referral needs.



Kevin Burrowes B.Com

Mortgage Adviser
mobile: 027 232 2316
phone: 03 353 7644
kevinb@mx.co.nz

www.mortgage-express.co.nz



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**Mortgage
Express**

Purchaser Acknowledgement Form

Please complete your details below and sign this form before you submit an offer to purchase the property at

Property Address: _____

Purchaser Name: _____

Address: _____

Phone: _____

Email: _____

Solicitor: _____
(Name) (Firm)

OVERSEAS INVESTMENT ACT:

- ☐ I/we understand that residential property purchases are now subject to the provisions of the Overseas Investment Act 2005 (OIA). Before any residential property is transferred to me/us, my lawyer will require me/us to complete a Residential Land Statement certifying that I/we meet the eligibility criteria. If I/we require OIA consent and do not obtain it or our application is declined, we will not be able to settle the property transaction and may incur liability to the vendor.

IF YOU ARE UNCERTAIN ABOUT YOUR ELIGIBILITY OR WHETHER THE PROPERTY IS SUBJECT TO THE OIA, YOU MUST MAKE YOUR OFFER SUBJECT TO OBTAINING OVERSEAS INVESTMENT OFFICE CONSENT.

AUCTIONS:

YOU MUST NOT BID ON A PROPERTY AT AUCTION UNLESS YOU ARE ABLE TO BUY THE PROPERTY ON AN UNCONDITIONAL BASIS. YOU MAY INCUR LIABILITY TO THE VENDOR IF YOU PURCHASE THE PROPERTY AT AUCTION IN CIRCUMSTANCES WHERE YOU DO NOT MEET THE ELIGIBILITY CRITERIA IN THE OIA.

CUSTOMER DUE DILIGENCE:

- ☐ I/we understand and acknowledge that before my lawyer can act for me, they must complete customer due diligence (CDD) on me under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFTA). If my lawyer cannot complete customer due diligence on me and cannot act for me for as a result, I may not be able to satisfy conditions under the agreement or settle the property purchase. This may result in me incurring liability to the vendor.

Signed: _____

Signed: _____

Name: _____

Name: _____

Date: _____

Date: _____

If you are intending to purchase the property as trustees of a trust, all trustees must sign this form.

If a company is purchasing the property, by signing this form you acknowledge that you are duly authorised to sign this form on the company's behalf.

Consent by Purchaser Prior to Entry into Contract for Sale

Property Address: _____

ACKNOWLEDGEMENTS

I/We as Purchaser of the above property hereby acknowledge that prior to entering into and signing the Contract that I/we:

1. I/we were given a copy of an Approved Guide issued by the Real Estate Agents Authority and advised of the Agent's in-house complaints process; and
2. Advised that neither the owner (nor any party associated with the owner) is a salesperson or employee of the Agent or is related to any such salesperson or employee.
3. I/we were advised that we must provide **proof** to our solicitor of
 - (a) An Inland Revenue Dept NZ (IRD) Tax number in my\our name; and
 - (b) A New Zealand Bank account number in my\our name

Purchaser Initials: _____

DISCLOSURES

Relationship/Related Party Transaction I/We acknowledge that we were advised that the provisions of section 134 and or 136 of the Real Estate Agents Act 2008 **do/do not** apply (select one). **Agent to advise further.**

Multi-Offer I/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 terms upon which we may enter into the multiple offer situation, that it should be our best offer, and that we may be unsuccessful if our offer is not accepted.

Further Disclosures I/We confirm and acknowledge that the following matters (if any) were specifically disclosed to us prior to entering into and signing the Contract.

FINAL ACKNOWLEDGEMENT

I/We further acknowledge that at the time of entry into this Contract I/we did so freely and voluntarily, without any undue influence or duress, and confirm that I/we were recommended to obtain legal advice and offered the right of other technical or specialist advice before entering into the same.

SIGNED

Purchaser: _____ Date: _____ Time: _____

Purchaser: _____ Date: _____ Time: _____

Agent: _____ Date: _____ Time: _____

Auction Registration of Interest

Date: _____
Property Address: _____
Auction Date: _____
Inspected with (Salesperson): _____
Date Inspected: _____

We would like to register our interest in the above-mentioned property to be sold by Auction.

We understand the vendor may consider unconditional offers prior to the Auction. We also understand that all parties who have registered their interest in the property will be contacted and given an opportunity to purchase the property.

Buyer's Name: _____
Address: _____
Phone: Home _____
Business _____
Fax _____
Mobile _____
Email _____

It is important that you complete this form and deliver, fax or email to our office or salesperson TODAY.

☐ Please send me an auction booklet

Harcourts Holmwood
175 Papanui Road
Merivale, Christchurch

Phone: (03) 355 6677
Fax: (03) 355 6678
Email: merivale@harcourts.co.nz

Harcourts

Pre-Auction Offer Procedure

STEP A1: Before commencing

- A1.1 The Seller must confirm to the Licensee that:
- (a) they wish to sell their property at auction and an auction date has been set for the property; and
 - (b) they wish to accept pre-auction offers to be conducted in accordance with the standard Harcourts **Pre-auction Offer Procedure** as set out in this document.

STEP A2: Licensee to explain standard Harcourts pre-auction offer procedure to seller

- A2.1 The Licensee must thoroughly explain and discuss the meaning and implications of the Harcourts **Pre-auction Offer Procedure** clearly to the Seller (taking into account the Seller's particular circumstances) before the Seller signs the Harcourts **Agency Agreement** and the **Pre-auction Offer Acknowledgement**.
- A2.2 The Licensee must advise the Seller that:
- (a) they cannot withdraw their property from the brought-forward auction if they sign a **Pre-auction Offer** (an offer made by a potential purchaser using the REINZ Auction Agreement) because to do so would mean that the property did not sell for a higher price at the brought-forward auction and therefore the condition in the **Pre-auction Offer** is satisfied; and
 - (b) they cannot change the reserve price once the **Pre-auction Offer** is signed by them.
- A2.3 Before the Seller signs the Harcourts **Agency Agreement** and the **Pre-auction Offer Acknowledgement**, the Licensee must recommend that the Seller seek independent legal, technical, or other advice on the documentation.
- A2.4 By signing the Harcourts **Agency Agreement**, the Seller is agreeing that:
- (a) the Licensee has clearly explained the Harcourts **Pre-auction Offer Procedure** to the Seller; and
 - (b) they have received a copy of the Harcourts **Pre-auction Offer Procedure** which includes the **Pre-auction Offer Acknowledgement**; and
 - (c) they have understood their rights and obligations under the Harcourts **Pre-auction Offer Procedure**; and
 - (d) they shall be bound by the terms contained in the Harcourts **Pre-auction Offer Procedure**, including that they cannot withdraw their property from the brought-forward auction if they sign a **Pre-auction Offer**.

STEP A3: Licensee to explain standard Harcourts pre-auction offer procedure to purchaser

- A3.1 The Licensee must thoroughly explain and discuss the meaning and implications of the Harcourts **Pre-auction Offer Procedure** clearly to a prospective purchaser (taking into account the purchaser's particular circumstances) before the purchaser signs the **Pre-auction Offer Acknowledgement**.

STEP A4: Purchaser's pre-auction offer

- A4.1 When discussing the terms of the purchaser's pre-auction offer, the Licensee must ensure that the **Pre-auction Offer** is prepared using the REINZ Auction Agreement and includes the following clauses:

- (a) the purchase price; and
- (b) a deposit equal to 10% of the purchase price immediately payable to the Licensee in non-reversible cleared funds upon the **Pre-auction Offer** being declared unconditional at the brought-forward auction; and
- (c) a condition precedent inserted under the Further Terms of Sale stating that the **Pre-auction Offer** is conditional on the property not being sold at the brought-forward auction for an amount higher than the purchase price in the **Pre-auction Offer**. If at the brought forward auction: (i) the purchase price at the fall of the hammer is higher than the purchase price in the **Pre-auction Offer**; and (ii) the Seller and the winning bidder sign an unconditional REINZ Auction Agreement, then the condition is not satisfied and the **Pre-auction Offer** is automatically cancelled.

- A4.2 We set out below the clause to be inserted into the Further Terms of Sale. NOTE: Please amend clause references as appropriate.**

21.0 Pre-auction Offer Condition

- 21.1 This Agreement is conditional upon the Vendor (Seller) not selling the Property at a higher price (than the purchase price in this 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 an end. For the purposes of clarity, the Property is *SOLD* at the brought-forward auction when the purchase price at the fall of the hammer is higher than the Agreement price AND the Vendor and the winning bidder sign an unconditional REINZ Auction Agreement.
 - 21.2 The Vendor agrees that the time and the date of the auction shall be brought forward to a time and a date that is a minimum of 48 hours (which includes at least one (1) full working day) from the time and date the Vendor signs this Agreement.
 - 21.3 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.
 - 21.4 For the avoidance of doubt, this pre-auction offer condition must be satisfied before this Agreement becomes unconditional in all respects.
- A4.3 The Vendor can use the template letters attached to this Harcourts **Pre-auction Offer Procedure** to notify the Purchaser in writing whether or not the Pre-auction Offer Condition has been satisfied.

STEP A5: Opportunity for purchaser to obtain legal advice

- A5.1 Before the purchaser signs the Harcourts **Pre-auction Offer Acknowledgement** and the **Pre-auction Offer**, the Licensee must recommend that the purchaser seek independent legal, technical, or other advice on the documentation.
- A5.2 By signing the **Pre-auction Offer Acknowledgement**, the purchaser is agreeing that:
- (a) the Licensee has clearly explained the Harcourts **Pre-auction Offer Procedure** to the purchaser; and
 - (b) they have received a copy of the Harcourts **Pre-auction Offer Procedure** which includes the **Pre-auction Offer Acknowledgement**; and
 - (c) they have understood their rights and obligations under the Harcourts **Pre-auction Offer Procedure**; and
 - (d) they shall be bound by the terms contained in the Harcourts **Pre-auction Offer Procedure**.
- A5.3 Once the purchaser has either taken independent professional advice or waived their right to do so, the purchaser should contemporaneously sign:
- (a) the **Pre-auction Offer Acknowledgement**; and
 - (b) the **Pre-auction Offer**.

STEP A6: Presenting offer to seller

- A6.1 Prior to presenting the **Pre-auction Offer** to the Seller the Licensee must explain to the Seller that:
- (a) the **Pre-auction Offer** is conditional on the outcome of the brought-forward auction; and
 - (b) a conditional agreement for sale and purchase of the property is formed when the Seller signs the **Pre-auction Offer**; and
 - (c) by signing the **Pre-auction Offer** the Seller is bound to sell their property to the purchaser if the property isn't sold for a higher price at the brought-forward auction. The property is sold for a higher price at the brought-forward auction where: (i) the purchase price at the fall of the hammer is higher than the purchase price in the **Pre-Auction Offer**; and (ii) the Seller and the winning bidder sign an unconditional REINZ Auction Agreement.
- A6.2 The Licensee should also remind the Seller that:
- (a) they cannot withdraw their property from the brought-forward auction if they sign a **Pre-auction Offer** because to do so would mean that the property did not sell for a higher price at the brought-forward auction and therefore the condition in the **Pre-auction Offer** is satisfied; and

(b) they cannot change the reserve price once the **Pre-auction Offer** is signed by them.

A6.3 The Seller is presented with the **Pre-auction Offer**. The Licensee must confirm to the Seller that the purchaser has agreed to the Harcourts **Pre-auction Offer Procedure**.

STEP A7: Opportunity for seller to obtain legal advice

A7.1 Before the Seller signs the **Pre-auction Offer**, the Licensee must recommend that the Seller seek independent legal, technical, or other advice on the agreement.

A7.2 If the Seller is unwilling to accept the **Pre-auction Offer**, the purchaser is informed.

A7.3 If the Seller is willing to accept the **Pre-auction Offer**, the Seller must:

(a) (before signing the **Pre-auction Offer**) complete the time and date of the brought-forward auction and sign the **Pre-auction Offer Acknowledgement** to confirm their agreement to be bound by the Harcourts **Pre-auction Offer Procedure**; and

(b) sign and date the **Pre-auction Offer**.

STEP A8: Informing purchaser of next steps

A8.1 The Licensee shall inform the purchaser that:

(a) the Seller has accepted the purchaser's **Pre-auction Offer** which means that the purchaser cannot withdraw its offer;

(b) the Harcourts **Pre-auction Offer Procedure** has been agreed to by the Seller, which means the auction will be brought forward; and

(c) the agreement is conditional on the property not selling for a higher price at the brought-forward auction; and

(d) the purchaser may attend the brought-forward auction and may bid; and

(e) the reserve price will be set at a price that is 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. It is a separate agreement which will be cancelled if the condition in the **Pre-auction Offer** is not satisfied (i.e. the property is sold at a higher price at the brought-forward auction within the required time).

STEP A9: Informing prospective purchasers

A9.1 The Licensee then contacts all other parties who have expressed an interest in purchasing the property. These prospective purchasers are advised that:

- (a) the Seller has a conditional agreement to sell the property;
- (b) the auction date has been bought forward and the prospective purchaser can bid at the auction;
- (c) unless the property is sold at a higher price at the brought-forward auction the property will be sold pursuant to the **Pre-auction Offer**. The Licensee shall not disclose the purchase price contained in the **Pre-auction Offer** to any party.

STEP A10: Before the brought-forward auction

A10.1 Before the brought-forward auction:

- (a) The Seller must sign a **Reserve Price Form**. The reserve price must be equivalent to the purchase price in the **Pre-auction Offer** and the Seller cannot change the reserve price once the **Pre-auction Offer** is signed.
- (b) The Licensee must advise the Seller, the purchaser, and any potential purchasers that:
 - (i) an auction starts when the auctioneer invites the first bid from potential participants;
 - (ii) an auction ends when the auctioneer makes it clear that bidding is closed or announces that the property has sold;
 - (iii) any bid at an auction may be withdrawn before the end of the auction; and
 - (iv) the Seller will not withdraw their property from the brought-forward auction.

STEP A11: The brought-forward auction

- A11.1 The auctioneer will announce the purchase price in the **Pre-auction Offer** prior to the start of the brought-forward auction as being at an acceptable level to the Seller (**not** as an opening bid) and then commences the brought-forward auction by inviting bids from potential participants. Prospective purchasers including the purchaser may bid.
- A11.2 If the auctioneer closes the brought-forward auction and at the fall of hammer the property is sold at the brought-forward auction for a purchase price in excess of the reserve price and the purchase price in the **Pre-Auction Offer**, then a new REINZ Auction Agreement is signed with the winning bidder at the end of the brought-forward auction. If the winning bid is by the purchaser, then a new REINZ Auction Agreement is signed to include the winning bid as the new purchase price and the **Pre-auction Offer** is at an end as the condition is not satisfied. If the winning bid is by a third party, then a new REINZ Auction Agreement is signed between the winning bidder and the Seller and the **Pre-auction Offer** is at an end as the condition is not satisfied.
- A11.3 If the auctioneer closes the brought-forward auction and has not received and accepted any bids in excess of the purchase price in the **Pre-auction Offer**, then the **Pre-auction Offer** becomes unconditional and the auctioneer will announce that the brought-forward auction is at an end.

Harcourts

Pre-Auction Offer Acknowledgement

Property

Seller

.....

Purchaser

.....

Acknowledgement

By signing this **Pre-auction Offer Acknowledgement**, the Seller and the purchaser both acknowledge that:

1. the Seller wishes to accept pre-auction offers to be conducted in accordance with the standard Harcourts **Pre-auction Offer Procedure**; and
2. the purchaser wishes to make a pre-auction offer in accordance with the Harcourts standard **Pre-auction Offer Procedure**; and
3. the Licensee has thoroughly explained and discussed the meaning and implications of the Harcourts **Pre-auction Offer Procedure** clearly to the Seller and to the purchaser; and
4. the Seller and the purchaser understand their rights and obligations under the Harcourts **Pre-auction Offer Procedure**; and
5. the Seller and the purchaser agree to be bound by the terms contained in the Harcourts **Pre-auction Offer Procedure**; and
6. the Licensee has recommended that the Seller and the purchaser seek independent legal, technical, or other advice on the documentation prior to signing any documents, and the parties have either taken such advice or have waived their rights to do so; and
7. the purchaser confirms that the **Pre-auction Offer** has been signed and includes:
 - (a) the purchase price; and

Initials here:

(b) immediate payment of the deposit (equivalent to 10% of the purchase price) to the Licensee in non-reversible cleared funds upon the **Pre-auction Offer** being declared unconditional at the brought-forward auction; and

(c) the Pre-auction Offer Condition set out in Step A4.2 above; and

8. 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 their property from auction; and

(d) the Seller cannot change the reserve price (which must be equivalent to the purchase price); and

(e) the purchase price in the **Pre-auction Offer** is not a bid; and

(f) the purchaser may attend the auction and may bid; and

9. the brought-forward auction details:

brought-forward auction shall be held at or prior to _____ am/pm
on the _____ day of _____
(being a minimum of 48 hours including 1 full working day from the Seller signing the **Particulars and Conditions of Sale of Real Estate by Auction.**)

Dated this _____ day of _____ 20____

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



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Harcourts

Seller _____

Confirmation that Condition is Not Satisfied

The Seller regrets to notify the Purchaser in writing that clause 21 (Pre-auction offer condition) of the Sale and Purchase Agreement was not satisfied. Accordingly, the **Pre-auction Offer** set out in the Agreement for Sale and Purchase is automatically cancelled.

Signed by the **Seller:** _____

Print Name: _____
Trustee/Director/Authorised Signatory

Print Name: _____
Trustee/Director/Authorised Signatory

Aside Agreement - Variation to Terms and Conditions

(Address) _____

to be offered for sale by public auction by: _____ Real Estate Limited

If the Purchaser (named below) is the successful bidder at auction then the Terms and Conditions are varied as follows:

1. Notwithstanding the vendor agreeing to the above condition, the purchaser acknowledges that during the course of the auction, the vendor can consider, with a view to accepting, a bid that is lower than the purchaser's but such lower a bid being unconditional in all respects. If the vendor wishes to accept an unconditional but lower bid than the purchaser's conditional bid, then the vendor will offer the purchaser:
 - a) The opportunity to withdraw the condition above thereby making the purchaser's higher bid unconditional; or
 - b) To increase their bid to the level acceptable to the vendor so that the purchaser retains the condition set out above.
2. The purchaser acknowledges at all times the vendor has the right to withdraw the property from the market at any time during the auction and that the vendor retains all rights to sell the property to any bidder at a price acceptable to them in all respects.

Purchaser _____ (signed)

Purchaser _____ (signed)

Vendor(s) Accepts/Declines _____ (signed)

Date _____

Authority to Bid by Telephone

Re _____ (Address of Property)

To be auctioned on _____ (Date)

Purchaser's Name (s) _____

I/We will be bidding from _____ (Address)

_____ (Telephone) _____ (Email)

In the event that I am the successful bidder, I will immediately:

- (i) Complete all relevant details and sign the Memorandum of Agreement with the Particulars and Conditions of Sale and return this to Harcourts Holmwood for acceptance by the vendor.
- (ii) Pay into the Harcourts Holmwood Trust Account on the day of the Auction, the deposit being 10% of the purchase price.

I/We further agree to indemnify _____ from any personal liability in any manner or form arising from his/her role as our disclosed agent in bidding at Auction on our behalf.

I/We also acknowledge receipt of a copy of the New Zealand Residential Property Sale & Purchase Agreement Guide.

Signed _____

Date _____

Witness _____ (Name) _____ (Signature)

Vendor(s) _____

Accepts/Declines

Date _____



Buying or selling your property?

New Zealand Residential
Property Sale and Purchase
Agreement Guide

Brought to you by the
Real Estate Authority



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



About settled.govt.nz and the Real Estate Authority

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

Buying or selling your home is a big move and one of the biggest financial decisions Kiwis 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. It'll help you feel more in control and help to get you settled. You can find information about the risks, how they can impact you, and get useful tips on how to avoid some of the major potential problems.

You'll learn your tender from your BBO, your price by negotiation from your auction. 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 (REA). REA is the independent government agency that regulates the New Zealand real estate industry. Our aim is to promote and protect the interests of consumers involved in real estate transactions, and to promote a high standard of professionalism and service in the industry.



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

To find out more about REA visit **rea.govt.nz**, call us on **0800 367 7322** or email us at **info@rea.govt.nz**



Key things to know about sale and purchase agreements



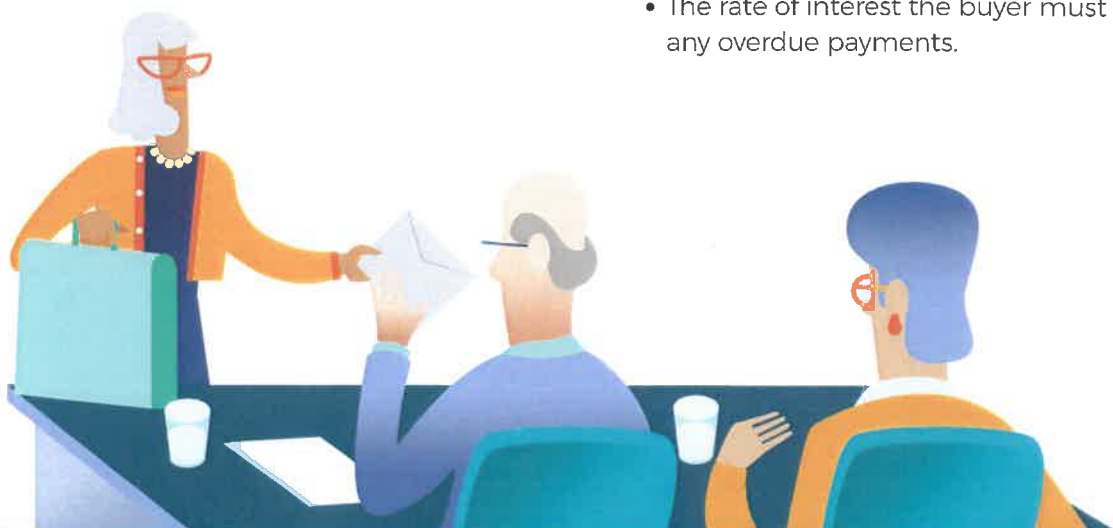
- A sale and purchase agreement is a legally binding contract between you and the other party involved in buying or selling a property.
- You must sign a written sale and purchase agreement to buy or sell a property.
- You need to read and understand the sale and purchase agreement before you sign it.
- You should always get legal advice before you sign the agreement and throughout the buying and selling process.
- You can negotiate the conditions in a sale and purchase agreement.
- A sale and purchase agreement becomes unconditional once all the conditions are met.
- The real estate agent is working for the seller of the property but must treat the buyer fairly.
- If your agent or anyone related to them wants to buy your property, they must get your written consent to do this. They must also give you an independent registered valuation of your property.

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 and the settlement date.

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

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



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

What's in a sale and purchase agreement

Your sale and purchase agreement should include the following things.

Basic details of the sale

- 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 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.

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
- insurance – to make sure the property remains insured until the settlement date and outline what will happen if any damage occurs
- 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.

Your lawyer will explain these clauses to you.

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 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



The agent helps the buyer and the seller to include the conditions they each want. Even though the agent works for the seller, they also have to deal fairly and honestly with the buyer. They can't withhold any information, and they must tell the buyer about any known defects with the property.

Your agent will probably use the agreement for sale and purchase approved by the Auckland District Law Society and the Real Estate Institute of New Zealand.

- 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
- builder's report – to determine the condition of the building
- 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.

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.

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.

The buyer pays the deposit. Depending on what the agreement says, the buyer may pay the deposit when they sign the agreement or when the agreement becomes unconditional. Usually the deposit is held in the agency's trust account for 10 working days before it is 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.

Payment of a commission

Once the sale is complete, the seller pays the agent for their services. The agent or 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 agent cannot ask the buyer to pay for their services if they have been hired 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

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

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 you're worried about the behaviour of your agent, discuss it with them or their manager. All agencies must have in-house procedures for resolving complaints.

If you can't resolve the issue with the 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 behaviour of a real estate agent. For example, we can help you and the agent or agency to resolve the issue and remind the agent 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.

^{*} Settled.govt.nz is brought to you by REA.

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



Where to go for more information

You can get more help and information from various places.

Read more about buying and selling a property at settled.govt.nz

[Settled.govt.nz](http://settled.govt.nz) provides comprehensive independent information and guidance for home buyers and sellers.

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 agent or agency helping to sell your property.

Your lawyer

Community Law Centres
communitylaw.org.nz

Citizens Advice Bureau
cab.org.nz

Consumer Protection
(Ministry of Business, Innovation and Employment)
consumerprotection.govt.nz

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.





THE BEST BEHIND THE HAMMER

Meet Phil and Mark McGoldrick, and Kyle Siebert, the Harcourts Holmwood auctioneers in a class of their own.

Having succeeded in the REINZ National Real Estate Auctioneering Championship, both Mark and Phil went on to represent our country in the Australian Championships. And they did pretty well there too. Phil won the title in 2009 and Mark made the finals in 2017. Kyle recently won the title of Most Promising Auctioneer of the Year in 2019.

Our auctioneers' passion comes from their total commitment to achieving the best result for sellers. They possess an extraordinary ability to negotiate and find that little bit extra from buyers.

Their exceptional people and negotiating skills have greatly benefited many happy Holmwood sellers.

They work equally hard away from auction day. Phil, Mark and Kyle consult the Holmwood team to ensure every auction campaign attracts the attention of all potential buyers.

With skills fine-tuned over many years behind the hammer, you can bet on these three to achieve a great sale price.

How to find our Auction Room



Holmwood Auction Room
397-399 Ilam Road, Ilam, Christchurch

The Holmwood Auction Room is located approximately ten minutes from the city centre. There is on site and off-street parking available.





Knowledge and Understanding

With years of experience in the building and construction industry, I bring with me knowledge and understanding of all types of homes.

As I have also run my own business, you can be assured that I will work for you and help you through each process regardless of whether you are buying or selling your home.

My goal is to make sure you are supported and informed to make this as stress free and as easy as it can be, I know first hand how hard you work to prepare your home for sale and I also know how hard it can be finding that perfect home, so give me a call or email today and take advantage of my knowledge and experience.

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Lena Mercer

Lena Mercer

Mobile: 0272 938 557 Email: lena.mercer@harcourts.co.nz Phone: 03 355 6677
175 Papanui Road, Merivale, Christchurch holmwood.co.nz

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