

Preparing for settlement – Purchase.

Your agreement for your purchase is now unconditional. There are a few things you need to know to prepare for settlement.

1. Transfer documents:

Prior to settlement, we will need an appointment to see you to sign the transfer documents for the transaction. These need to be completed with a Solicitor or Justice of the Peace – you can complete these documents remotely if you live out of town.

2. Bank documents:

If you are receiving a loan from the bank, please contact your bank to ensure your loan documents are sent to us as soon as possible. We will then make an appointment with you for signing.

3. Rates:

The most recent instalment of the rates will be cleared by the vendor on settlement. You will be required to contribute your portion of the rates from the settlement date up to the end of the instalment. The council will be notified on settlement that you are the new owner and all rates notice will now be sent to you. *Please advise if you have a different postal address from the property you are purchasing so we can include this in our sales notice for the council.*

4. Insurance:

Please arrange to have the property insured by your insurance company. If you are getting lending from the bank, you will need to provide a certificate of currency of insurance for the property which notes your Bank interest. The bank will not process your lending if you do not provide this certificate of insurance.

5. Pre-Purchase inspection:

The day prior to settlement you can complete a pre-purchase inspection of the property to ensure it is still in the same condition as it was when you made your offer. You can contact the real estate agent to arrange this. Please let us know if there are any issues raised for the inspection.

6. Settlement funds:

If you will be transferring funds into our trust account for settlement, you need to ensure this is done on or before the **day prior to settlement**. This will ensure that the funds show in our account as cleared funds on settlement day. You can go directly to the bank for any assistance with transferring a large sum of money. We may request information from you to confirm where the funds are coming from. ***E.g. Sale proceeds from selling a property or inheritance money***

7. Timeline:

Settlement can occur any time between **10am and 4pm** on the day of settlement. This is dependent on what time the bank completes the drawdown of your loan funds, and if you have contributed your contribution of funds into our trust account.



Purchasing a property

This information sheet sets out the steps to buying a property and how we assist you during the process.

THE AGREEMENT

The first step is to enter into a Sale and Purchase agreement. We prefer to review sale and purchase agreements prior to you signing. Please give your agent our contact details. You should include conditions in your agreement to ensure you are happy with the property and have the finance to buy it.

Examples of conditions are; Finance, Builders Report, LIM (Council Report), Due Diligence, Solicitor Approval, Methamphetamine testing.

Due Diligence: That the property is suitable for the Purchasers intended use.

Finance Condition: For satisfaction of your Finance Condition we will require a letter or email from your bank confirming your finance has been accepted.

LIM Report: Is a review of the relevant information that the council holds on the property and is highly recommended. You will need to advise us if you want us to order this for you. Alternatively, you are able to order from the local council where the property is situated. Please note there is a fee payable for all LIM reports. It is often what is missing from a LIM report that is important and as we do not have knowledge of the property you must read the LIM report yourself with any queries you have in mind in relation to the property. E.g. has any renovation work been done?

Builders Report: We highly recommend you obtain a builder's report on the Property. Note that some builders may provide an option of either a written or verbal report. If there are any issues raised in the report, the Vendor is able to request a copy of the written report, so we recommend you obtain a written report.

Once the agreement is signed by all parties; the Agent will send the signed agreement to us.

CONDITIONS

We need to stay in touch in relation to the satisfaction of any conditions in the agreement. We will also obtain a copy of the property's title and advise you on that.

We will contact you on or before the due date of each condition to seek your instructions. The due dates are important. If everything is okay then we will advise the Solicitor acting for the Vendor that the agreement is unconditional.

DEPOSIT

The deposit is normally due when the agreement becomes unconditional unless your agreement states otherwise. The deposit needs to be paid directly to the real estate agent if that is what the agreement states. Otherwise it is paid into the Purchaser's Solicitors Trust Account. It is your responsibility to attend to payment of the full deposit amount on unconditional day.

SETTLEMENT DATE

The settlement date is the date that you must pay for the property and that you can move into the property.

KIWISAVER

If you are using Kiwisaver funds or a first home buyers deposit then you need to ensure your paperwork is completed and with Kiwisaver as soon as possible. Please advise us if this is the case.

HOUSE INSURANCE

You must arrange house insurance for the settlement date and send the certificate of insurance to us.

SIGNING OF PURCHASE DOCUMENTS

You will need to meet with us to sign the purchase and loan documentation. Please bring your photo ID, IRD number and a utility bill confirming your current address. We have obligations to correctly identify you.

Examples of appropriate identification are: NZ Drivers licence, NZ Passport or a NZ Firearms licence, which need to be current.

MONEY FOR SETTLEMENT

We will receive a settlement statement from the Vendors solicitor telling us how much we need to pay on the settlement day. The rates for the property will be apportioned between you and the Vendor so you may have more to pay than only the purchase price. You are also required to pay our fees. We will provide you with a statement showing you how much is required.

We will arrange for the bank lending to be paid directly to our trust account, however you must ensure that any additional funds from you are in our trust account prior to the settlement date. We require any funds paid to our trust account for settlement to be cleared on the date of settlement. For this reason, we recommend making the payment one day in advance or asking your bank to arrange the payment so it is "cleared funds" in our trust account.

PRE-SETTLEMENT INSPECTION

The day before settlement you should visit the property and do a pre-settlement inspection. Arrange this directly with the agent. You are looking to make sure the property is in the same state that it was when you signed the agreement and that the Vendor has not removed any chattels or fixtures from the property that you have bought with the house. Keep an eye out for rubbish that has been dumped or hidden on the property. Advise us if everything is good or of any problems.

SETTLEMENT DAY

PAYMENT

The money is transferred from our trust account to the Vendor's solicitor's trust account and in return, the title of the property is transferred to you.

WHAT TIME WILL SETTLEMENT HAPPEN?

We cannot provide you with a time that settlement will occur. We will advise you as soon as settlement has been completed. Settlement usually occurs between 9.00am and 4.00pm.

We will do all we can to complete settlement as early as possible, however many things are out of our hands. We must wait for the Vendor to be ready, and for money to come from the bank, or for your sale to settle first.