

10 things to remember when purchasing a home

Purchasing a home is one of the most important things you will do in your life. At **TODD & WALKER Law**, we have an experienced team of property law professionals to assist you. We have prepared a list of points for you to consider:

1. Contact your Solicitor and advise them you are thinking about purchasing a property. Your Solicitor is required to complete Customer Due Diligence (“CDD”) on you under the Anti-Money Laundering and Countering the Financing of Terrorism Act before they can begin advising and acting for you. This involves having your ID certified, providing proof of your address and, in some cases, providing proof of your source of funds or wealth. Do this first to avoid any delay when you do find a home that is perfect for you.
2. Work out your budget. If you are a first home buyer and are contributing to Kiwisaver you may wish to withdraw your funds to assist with the deposit/purchase. Your Solicitor will assist you with your withdrawal application by completing identity verification and undertakings which your provider will request.
3. You may be entitled to a Housing NZ Home Start Grant if you have been regularly contributing to Kiwisaver for at least three years. You can apply to Housing NZ on line for pre-approval/approval.
4. Go to your bank or a mortgage broker to obtain loan pre-approval. The amount you can borrow will depend on what savings you have for a deposit, what your income is, the value of the home you are looking to buy and any equity held in current properties you may own. If you have finance pre-approval and know what you can afford it will be easier for you when searching for that perfect property.
5. Making an offer on a property:
Before you sign any offer you should have your solicitor look it over for you as once entered into, and accepted by the Vendor/Seller, an agreement is binding on you.

Unconditional offer – is when there are no conditions attached. Also, when purchasing at auction you will need to have completed all your due diligence and investigations on the property before auction day.

Conditional offer – should include a due diligence condition which provides for the property to be entirely satisfactory to you in all respects. This includes you being satisfied with a LIM Report, Building Report, Valuation, Finance or any other investigation you wish to make on the property. Your Solicitor will check the title for the property and any instruments registered on the title.

6. Once your offer is unconditional you will need to pay a deposit (usually 10% of the purchase price). There will be transfer papers and, if you are borrowing money to complete the purchase, loan documents for you to sign with your Solicitor prior to settlement day.
7. Contact your insurer and arrange for dwelling and contents insurance effective from settlement day.

8. You are entitled to enter the property again prior to settlement day to complete a Pre-Settlement Inspection. Contact your Real Estate Agent to arrange this.
9. Before settlement day, contact providers for various services such as electricity, gas and phone and arrange for transfer to you and availability on your move in date.

10. Settlement Day

Your Solicitor will complete settlement with the Vendors solicitor. Under the agreement settlement must occur before 4pm on settlement day to avoid incurring a penalty. The timing of settlement will depend on when the funds are made available to your Solicitor (i.e. by the bank or contribution from you). Once settlement has been completed you will then get the keys to the dwelling. These are usually held by the Real Estate Agent.

The above is just a snap shot of the steps towards buying a home. There will be additional steps to complete especially if you are buying an apartment/unit

If you are considering purchasing a property and want expert advice then contact our Property Law Team at **TODD & WALKER Law** on **+64 (0)3 441 2743**.

This article has been prepared by Jacqui Wilson one of our Legal Executives who has acted on thousands of property purchases during her career. Jacqui can be contacted on jacqui@toddandwalker.com or on **+64 (0) 3 441 2743**.