Buying and not sure what to do when?

Your real estate buying journey

Understanding the end-to-end real estate process

Be a confident home buyer with **settled.govt.nz**

Buying a home is one of the biggest financial decisions you'll ever make. It can be a complex and sometimes stressful process.

Settled.govt.nz will help to inform and guide you through the process from when you're thinking of buying right through to when you're moving in or out.

Have a look at the 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.

Learn more at settled.govt.nz

Brought to you by the Real Estate Authority

Your real estate **buying journey**

settled.govt.nz

Before you can make an offer, you'll need to know the method of sale being used for that home.

Remember, the real estate agent, or your lawyer or conveyancer are there to support you through the process.

Don't make an offer on a property before seeking legal advice.

Thinking of buying?

Agree on your goals

Decide what you're looking for in a home and what your goals are. Talk to friends and family

Sort your finance

How much can you borrow or afford? Investigate and understand your loan options before you take out a home loan.

Build your support crew

You'll need a lawyer, an insurer and a bank or mortgage broker. You may need a property inspector later too.

Finding a property

Learn the lingo

The more prepared you are, the less confusing the process will be. Learn about methods of sale, types of property ownership and how to identify risks and potential issues.

Attend open homes

By now, you'll know what you're looking for in a home and what red flags to watch out for. If you like a home and it meets your needs, you can start researching it in more detail.

settled.govt.nz

Doing your homework means you can make informed decisions.

Researching the property

Do your homework

When you've found the property you want to buy, it's important to find out as much as possible before you make an offer. For example, a property inspection report and LIM are helpful.

It may take a while to find the ideal property.

Understand issues and hazards

Doing your homework means you can make informed decisions, for example, you'll learn about any significant repairs you need to make.

Don't make an offer on a property before seeking legal advice.

Making an offer

Use settled.govt.nz's Property Checker Tool

Understand the offer process

The offer process will vary depending on the method of sale.

Understand the multi-offer process

If another buyer also puts an offer on the property you want, it becomes a multi-offer process. Ask the agent to clearly explain the process and make sure you talk to your lawyer.

Ask for a title search

A record of title is essential. It is specific to the address you are looking at and will tell you if there are any restrictions against the property.

You may repeat the offer process several times before you are successful.

Confirm your finance

Now's the time to confirm your finance with the lender. Most banks will ask you for more information about the property and require proof that you've arranged insurance before settlement.

Make a conditional offer or an unconditional offer

With some methods of sale, you can make a conditional offer, such as the offer being subject to a property inspection report or finance. Ask your lawyer for advice.

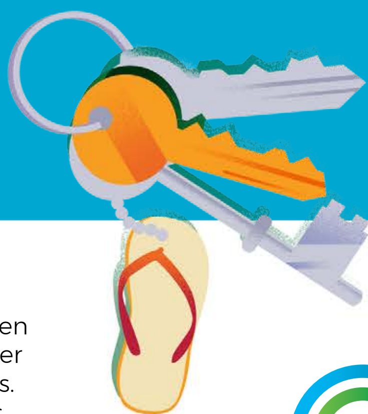
Meet conditions

Any contract conditions must be met by your specified date(s).

Settling and moving in

Plan for settlement day

A number of things need to happen before settlement day, such as a pre-settlement inspection and ensuring your finances and insurance are in place.



Settle on settlement day

The big day has arrived! Many things need to happen in sequence between your lawyer, the seller's lawyer and the banks before the property becomes yours. This can take time, and you may not get the keys until late in the day. It's a good idea to plan to move in the day after settlement day.

settled.govt.nz

Buying by advertised price, deadline sale or negotiation

Advertised price: The seller sets a price and you can choose to offer more or less than that price and negotiate the sale. There is no specific deadline your offer needs to be received by.

Deadline sale: The seller sets a date and you can make an offer at any time before that date. The seller may indicate the price. You can offer more or less than that price and negotiate the sale.

Negotiation: When it's difficult to estimate the market value of a property, a seller may choose to sell by negotiation. Buyers make offers based on what they think the property is worth in the current market. There's no end date for offers.

Important things to know

- In all cases, you can attach conditions to your offer, like making the offer subject to a building inspection. You can change your offer at any time before the seller accepts it, and you can include an expiry date on the offer.
- Sellers can also attach terms and conditions to the sale, for example, the settlement date.
- If you can't meet the conditions or need an extension, you need to talk to your lawyer or conveyancer and the real estate agent as soon as possible.
- If there is more than one offer, the sale may become a multi-offer process.

Buying by tender

When a property is for sale by tender, buyers give confidential written offers to the agent before a specified end date.

Important things to know

- You can attach conditions to your offer. Sellers can also attach terms and conditions to the sale.
- You can make an offer at any time. If the seller decides to accept offers earlier than the tender end date, the property can be sold before this date.
- Register your interest with the agent and ask to be informed if someone else makes an offer before the end date to see if you can also make an offer.
- If the seller has decided they will accept offers before the end date and there is more than one offer, the sale may become a multi-offer process.
- The seller doesn't have to accept the highest offer or any offer. The seller may choose to negotiate, through the agent, with anyone who submitted an offer.

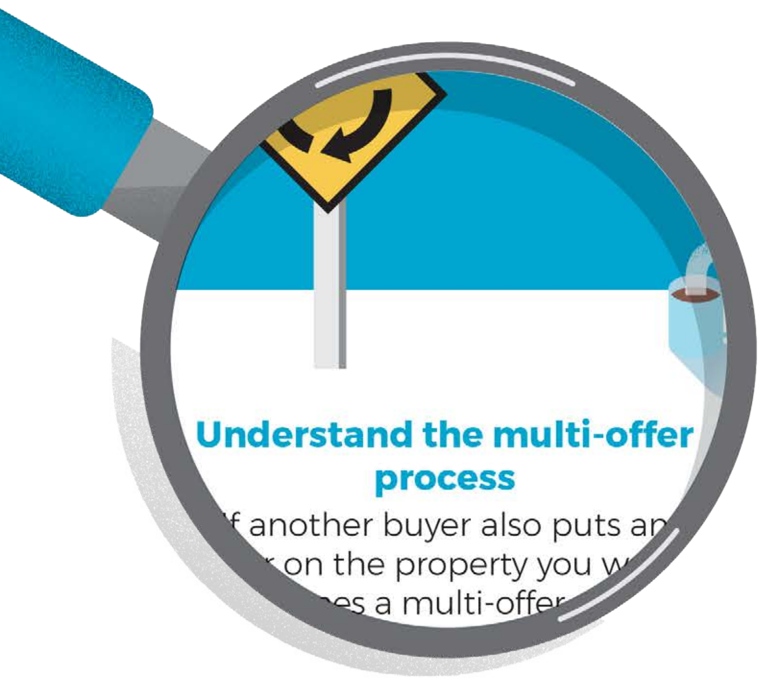
Buying by auction

A property auction is a fast-paced, public sale. The property is sold to the buyer with the highest bid after the seller's reserve price is reached.

Important things to know

- Buyers should register their interest with the agent and ask to be informed if another buyer makes an offer before the auction date.
- If you haven't been to an auction before, it's a good idea to attend one as a spectator so you can see how they work.
- If you win an auction, you are committed to purchase the property. You must pay the purchase deposit on the auction day. It's very important to have your finances in order and to complete your due diligence before you think about bidding at auction.

Whichever offer process is used, remember that a sale and purchase agreement is a legally binding contract, so get legal advice before you make your offer.



A multi-offer process happens when more than one buyer makes an offer on a property. It's important to put your best foot forward in this situation, as you might not get a chance to increase your offer or to negotiate.

Important things to know

- Agents must clearly explain the process and any relevant paperwork to all buyers.
- There must be more than one offer in writing. An agent can't say you are in a multi-offer process if there are no other offers in writing.
- In a multi-offer situation, the seller can choose the offer that works best for them. An offer with a lower price but fewer conditions may be chosen over a higher price with more conditions.
- If you have any concerns about a multi-offer process you are part of, you can speak to the supervising agent or branch manager.

Real Estate Authority

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 goal is empowered consumers working with trusted real estate professionals. Our vision is a better real estate experience for all.

rea.govt.nz

Getting help when things go wrong

Sometimes, things go wrong when buying property. There are steps you can take and organisations that can help you. Check out the *Getting help if things go wrong* page on **settled.govt.nz**

If you have a problem with a real estate agent that you can't resolve directly with them, you can bring your complaint to us at REA.

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