

The Guide to Buying Property

From Offer to Moving In



From Planning Your Search to Moving In

Buying a property involves a series of practical, legal and financial decisions. A good process starts before the offer: deciding what you actually need, understanding what you can afford, assessing the property and neighbourhood carefully, and having the right professional advisers ready. It then continues through the offer, due diligence, finance, settlement and the move itself.

The details of every purchase are different. The method of sale, property type, finance arrangements, Council records, title, building condition and your own circumstances can all affect what should be included in an offer and what investigations should be undertaken.

Start with your professional team

Engage a lawyer or conveyancer early. If you are borrowing, involve your bank or mortgage adviser before making an offer. It is also sensible to identify an insurer and, where required, a suitably qualified property inspector or other specialist.

Important

The real estate salesperson works for the seller unless expressly engaged otherwise. You should obtain your own legal, financial and technical advice before signing an agreement or waiving a condition.

The process at a glance

1. Define what you need, understand your budget and assemble your professional advisers.
2. Assess the property and neighbourhood and review the information available.
3. Understand the sale method and submit a written offer using the sale and purchase agreement.
4. Complete your conditions, due diligence, finance and any KiwiSaver arrangements.
5. Go unconditional and pay the purchase deposit as required by the agreement.
6. Prepare for settlement, insurance, utilities and the move.
7. Complete the pre-settlement inspection.
8. Settle, collect the keys and move in.

Auction purchases

An auction purchase is usually unconditional when the hammer falls. Finance, legal review, title checks, LIM/property-file review, building inspections and any other due diligence generally need to be completed before bidding.

1 Decide what you are actually looking for

Before inspecting large numbers of properties, turn your needs into a practical brief. This helps separate essential requirements from features that are simply desirable and makes it easier to compare properties consistently.

- Accommodation – number and size of bedrooms, bathrooms, living areas and whether the layout will still work if family or work arrangements change.
- Parking and storage – garage, carport, off-street parking, workshop, sheds and secure storage.
- Work and lifestyle – home office, hobbies, pets, outdoor living, garden, accessibility and future needs.
- Property type and condition – new, renovated, character, apartment, townhouse, lifestyle or rural, and how much maintenance or improvement you are prepared to take on.
- Location – commuting time, traffic at the times you actually travel, schools, shops, medical services, public transport, recreation and other facilities important to you.
- Future flexibility – whether you may need space to extend, work from home, accommodate family, subdivide or change use, noting that any future potential must be independently verified.

If you are considering a new area, spend time there rather than relying only on a map or online listing. A location that feels quiet at midday may be very different during commuter traffic, school pickup time, weekends or at night.

2 Understand your financial position and buying costs

Confirm your likely borrowing limit, but do not treat the maximum a lender may approve as the amount you should necessarily spend. Allow room for ownership costs and unexpected expenses after settlement.

- legal and conveyancing fees;
- LIM, Council property records and title documents where not already available;
- building inspection and specialist reports;
- registered valuation if required;
- insurance;
- moving, storage, cleaning and connection costs;
- rates, body corporate levies and property-specific operating costs;
- a contingency for repairs or purchases after moving in.

Pre-approval is not final approval

A lender may still need to approve the particular property, obtain a valuation, review insurance or confirm other information before giving final finance approval.

3 Assess the property and neighbourhood carefully

When viewing several properties, details can quickly blur. Use a consistent checklist and make notes after each inspection. Photographs and online advertising are helpful, but they do not replace seeing how the property actually feels and functions.

Outside and around the property

- aspect, sun, shade and wind;
- cladding, roof, spouting, decks, retaining walls, paths and fencing;
- drainage, low or wet areas and visible erosion;
- garages, sheds and other structures;
- access, parking and turning areas;
- traffic, noise, neighbouring uses and nearby development;
- for lifestyle/rural property: water, wastewater, pumps, tanks, fencing, stock water, contour and telecommunications.

Inside the property

- visible condition of walls, ceilings, floors, windows and doors;
- signs of leaks, dampness or movement;
- natural light, ventilation and heating;
- room sizes and whether your furniture/lifestyle actually fit;
- kitchen, bathrooms and laundry;
- major services where visible;
- included chattels.

Visit more than once if the property is serious

A repeat visit at a different time can reveal traffic, noise, sunlight, parking or neighbourhood activity that was not obvious at the first viewing.

4 Prepare before submitting an offer

Before committing to an offer, make sure you understand both your financial position and the information already available about the property. Some investigations can be completed before making an offer; others can be protected by conditions in the agreement.

- Confirm your likely borrowing limit and whether your lender has any property-specific requirements.
- Have a lawyer or conveyancer available to review the agreement, title and any unusual conditions.
- Ask the agent what documents are available, such as a LIM, Council property file, title, building reports, body corporate information, tenancy information or other disclosures.
- Understand the sale method. A deadline, tender, auction or multi-offer process can affect when you need to complete due diligence and whether you may have only one opportunity to put forward your best terms.
- Think about the settlement date you need and whether you must sell another property first.
- Check whether you need KiwiSaver funds for the contractual deposit or for settlement, because the application process takes time.

5 Prepare and submit the offer

Your offer is normally made in writing using a sale and purchase agreement. This is a legally binding contract once accepted by the seller, even if it remains subject to conditions.

The agreement will normally record the purchase price, deposit, settlement date, included chattels, any specific conditions and the dates by which those conditions must be satisfied.

Before signing

Ask your lawyer or conveyancer to review the agreement and any special conditions before you sign. Conditions need to be appropriately worded for what you actually want to investigate or protect.

6 Decide which conditions you need

The appropriate conditions depend on the property and your circumstances. Common examples include:

- Finance - final approval of lending for the particular property.
- LIM - approval of the Land Information Memorandum supplied by the local authority.
- Council records / property file - review of available plans, consents, permits, correspondence and other Council-held information.
- Property inspection - a satisfactory building or property inspection report.
- Title / legal review - approval of the record of title, easements, covenants, encumbrances, consent notices, cross-lease or unit-title matters and other legal interests.
- Due diligence – where a broader investigation is genuinely required, with the wording, scope and timeframe reviewed by your lawyer.
- Registered valuation - where required by your lender or desired for your own purposes.
- Insurance - confirmation that acceptable cover can be obtained.
- Toxicology or methamphetamine testing - where there is a reason for concern or you otherwise wish to test.
- Engineer, surveyor or specialist report - where the property, land or a known issue warrants specialist investigation.
- Sale of another property - where your purchase depends on completing another sale.

Do not assume a generic clause protects everything

A finance clause, building clause or due-diligence clause can have important legal consequences. Your lawyer should advise on wording, timeframes and what evidence may be required if you seek to rely on a condition.

7 Carry out the property investigations

LIM report

A LIM is a formal report from the local authority summarising certain information it holds about the property and surrounding area. Depending on the Council and property, this can include rates, building and resource consents, drainage, planning information, utilities, hazards and other matters.

Council property file / property records

Property files or Council property records can be particularly useful because they may contain copies of plans, permits, building consents, Code Compliance Certificates, inspection records and Council correspondence. The plans and records can often be compared with the property as it exists today to help identify additions or alterations that may not be documented.

Crow Realty places considerable importance on property files for this reason. A LIM is valuable, but it is generally a summary. The underlying property records can provide more detail when you are trying to establish what was approved and whether the present property appears to match Council records. Records are not always complete, particularly for older properties, so discrepancies should be investigated further.

Property inspection

A professional property inspection can help identify visible defects, maintenance issues and areas that may justify further specialist investigation. Unless you have appropriate building expertise yourself, the cost of an inspection is usually small compared with the financial commitment involved in buying a property. Check the inspector's qualifications, experience, the scope and exclusions of the inspection, and whether the resulting report is prepared for you to rely upon.

There can be a temptation to save money by asking a family member or friend with building experience to inspect the property instead. Before doing so, consider carefully the position this may place them in. A personal relationship can make it more difficult to give completely detached advice. They may be inclined to **overstate concerns in an effort to protect you, or to understate them because they know how much you like the property and do not want to discourage you from buying it.**

Also consider what happens afterwards. If you decide not to buy a property you regarded as your dream home because of their advice, or if you buy it and subsequently encounter serious problems that were not identified, that can place considerable pressure on the relationship. For such a significant purchase, using an independent, suitably qualified and experienced property inspector can remove much of that personal pressure and provide a more objective basis for your decision.

Methamphetamine / toxicology testing

Meth testing is not necessarily required for every purchase. If there are indicators of possible contamination, known history, information from the seller or another reason for concern, discuss this with your lawyer and consider making a satisfactory test result a condition of your offer.

Current government guidance uses 15 micrograms per 100 cm² as the maximum acceptable meth residue level for residential tenancy purposes. Testing and interpretation can be technical, so use an appropriate provider and understand the sampling method and report before relying on the result.

Look beyond the building

Depending on the property, also consider access, boundaries, easements, natural hazards, drainage, water supply, wastewater systems, power, telecommunications, retaining walls, land stability, rural infrastructure and any proposed development or subdivision potential.

8 Confirm finance and arrange KiwiSaver if applicable

Final finance approval

A loan pre-approval is not necessarily final approval for a particular property. Once your offer is accepted, your lender may require the signed agreement, a valuation, LIM, insurance confirmation or other information before confirming the loan.

Do not allow a finance condition to be confirmed or waived until you and your lawyer are satisfied that the finance you actually need is available on acceptable terms.

KiwiSaver first-home withdrawal

Eligible first-home buyers may be able to withdraw most of their KiwiSaver savings. In general, you must have been a KiwiSaver member or member of an eligible fund for at least three years and must leave at least \$1,000 in the account. If you have owned property previously, you may still qualify in some circumstances, but a Kāinga Ora determination may be required.

Start the process early with your KiwiSaver provider. Providers commonly require around 10 working days and may need certified identification, the signed sale and purchase agreement and documents completed by your lawyer. Approved funds are paid to your lawyer or conveyancer, not directly to you.

KiwiSaver funds can potentially be used toward the contractual deposit as well as settlement, but this requires advance planning and the correct undertakings from your lawyer. Confirm the process and timing with your provider and lawyer before committing to a deposit due date.

Purchase deposit versus lending deposit

The deposit stated in the sale and purchase agreement is the contractual deposit paid under the agreement. It is not necessarily the same as the total equity or deposit your lender requires for the home loan.

9 Satisfy the conditions and go unconditional

Each condition must be dealt with within the timeframe stated in the agreement. Your lawyer will normally communicate with the seller's lawyer about satisfaction of conditions, extensions or any issues arising from your investigations.

Once all conditions have been satisfied or waived, the agreement becomes unconditional. At that point you are committed to complete the purchase on the settlement date, subject to the terms of the agreement.

Take care when waiving conditions

Do not waive a condition simply because a deadline is approaching. If more time is genuinely required, speak to your lawyer immediately so they can advise whether an extension should be requested.

10 Pay the purchase deposit

The amount and timing of the purchase deposit are stated in the sale and purchase agreement. A deposit of around 10% is common, but the amount is negotiable and the agreement may require payment on acceptance, on becoming unconditional, or at another agreed time.

The deposit is normally paid to the stakeholder named in the agreement, often the real estate agency's trust account or the seller's lawyer. Follow the payment instructions given by your lawyer or the agency and verify bank account details independently before transferring significant funds.

If you intend to use KiwiSaver toward the deposit, make sure the withdrawal process was started early enough for the funds to be available when required.

11 Auction purchases require earlier preparation

An auction purchase is usually unconditional when the hammer falls. That means work that might otherwise be protected by conditions generally needs to be completed beforehand.

- arrange finance and understand any lender requirements before bidding;
- have your lawyer review the auction terms, title and relevant documents;
- complete LIM, Council records, building, insurance and specialist investigations before auction day;
- understand the auction deposit and how it must be paid;
- decide your maximum price before bidding;
- arrange authority in advance if someone else will bid for you;
- if the property passes in, treat any post-auction negotiation as a separate negotiation and obtain advice before signing altered terms.

12 Prepare for settlement

In the period between going unconditional and settlement, your lawyer, lender and other advisers will complete the legal and financial arrangements. You will also need to organise the practical side of taking ownership and moving.

Before settlement, arrange:

- Home insurance effective from settlement. Your lender will usually require proof of cover before releasing loan funds.
- Any balance of your own funds required by your lawyer, allowing enough time for cleared funds.
- Electricity and, where applicable, gas or LPG supply from the date you take possession.
- Broadband, fibre and telephone services. Contact providers early, particularly if a new connection or technician visit may be required.
- Contents insurance and cover for possessions while they are being moved.
- Movers, packing, storage and access arrangements.
- Mail redirection and change-of-address notifications.
- For rural or lifestyle property, any immediate arrangements for water, wastewater, pumps, gates, stock, LPG, fuel, rubbish or other services.

13 Complete the pre-settlement inspection

Arrange the pre-settlement inspection with the real estate agent. It is sensible to do this at least two working days before settlement where possible, so there is time to address any issues.

The inspection is not a second opportunity to renegotiate issues that were present when you signed the agreement. Its purpose is to confirm that the property and chattels are in the agreed condition and that any agreed work has been completed.

- Check the property is in substantially the same condition as when you agreed to buy it.
- Check the chattels listed in the agreement are present and, where required, working.
- Confirm any repairs, maintenance or other work agreed under the contract has been completed.
- Look for damage that may have occurred since the agreement was signed or while the seller was moving out.
- Check rubbish and items not included in the sale have been removed where required.
- Confirm keys, garage remotes, alarm information and other access items will be available.

If you find a problem

Tell the agent and your lawyer promptly. Do not simply deduct money from settlement or refuse to settle without legal advice. Your lawyer will advise on the remedies available under the agreement.

14 Settlement day and moving in

On settlement day your lawyer or conveyancer coordinates the transfer of funds with your lender and the seller's lawyer. Once settlement has been completed, ownership is transferred and the seller's lawyer authorises release of the keys.

Settlement does not necessarily happen first thing in the morning. Banking, legal or documentation delays can occur, so avoid arrangements that depend on receiving the keys at a particular early time.

Wait for confirmation

Do not enter the property or start moving in until your lawyer, conveyancer or the agent confirms that settlement has been completed and the keys can be released.

When you receive the keys

- Take electricity and gas meter readings where applicable and photograph them.
- Check that power, hot water, water supply, wastewater systems and essential services are operating.
- Locate the electrical switchboard, water toby or shut-off, gas shut-off, alarm controls and any pump or septic controls.
- Consider changing or re-keying external locks and updating alarm or gate codes.
- Check smoke alarms and familiarise yourself with exits and safety equipment.
- Keep copies of the sale agreement, title information, warranties, appliance manuals, building reports and Council documents together for future reference.
- Complete remaining change-of-address notifications and settle into your new home.

A simple buyer checklist

- Needs, preferred areas and realistic budget defined
- Property and neighbourhood assessed carefully
- Lawyer or conveyancer engaged
- Finance position understood
- Offer and conditions reviewed before signing
- Title, LIM and property file considered
- Property inspection and any specialist reports completed
- Meth test considered where appropriate
- Finance formally confirmed
- KiwiSaver withdrawal arranged if applicable
- Conditions satisfied and agreement unconditional
- Deposit paid as required
- Insurance arranged
- Power, gas/LPG and telecommunications arranged
- Pre-settlement inspection completed
- Settlement funds and loan documents ready
- Settlement confirmed before collecting keys
- Move completed and essential services checked

Useful official information

[Settled.govt.nz - buying a home](https://settled.govt.nz/buying-a-home)

[Real Estate Authority - consumer guides](#)

[Inland Revenue - KiwiSaver first-home withdrawal](#)

[Kāinga Ora - KiwiSaver first-home withdrawal](#)

[Tenancy Services - meth testing and decontamination standards](#)

Disclaimer

This guide is provided as general information only. It is not intended to be a comprehensive guide to the subject matter and should not be relied on as a substitute for your own investigations, due diligence, or independent professional advice. Property circumstances vary, and you should obtain legal, technical, financial or other specialist advice relevant to your particular situation before acting or refraining from acting. Laws, regulations, Council requirements, policies and practices may change, and information should be confirmed as applicable at the time it is relied upon.

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