



Property Purchase Types

What do I need to know?



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Agreement for Sale & Purchase

A Sale and Purchase Agreement is a legally binding contract which is made between a Purchaser and Vendor of a property.

Before signing a Sale and Purchase Agreement, the Real Estate Agent must provide a copy of the REA's New Zealand Residential Property Sale and Purchase Agreement Guide. They must also ask you to confirm in writing that you have received this document.

Summary of important things to know

- You are able to negotiate the price and any conditions to be included in the Agreement.
- You must sign a written Sale and Purchase Agreement when you buy a property.
- You will need to advise the price you wish to pay, the deposit amount, a settlement date (the date you pay over the money for the property).
- Always check your Sale and Purchase Agreement and obtain legal advice with a Lawyer before signing. You need to read and understand the Agreement before you sign it.
- You may also require certain conditions that will need to be met, which may include:
 - Review of the Record of Title for the property.
 - A LIM Report from the Council.
 - Building Report.
 - Purchaser able to obtain insurance and finance.
- A Sale and Purchase Agreement becomes unconditional when all the conditions are met.
- Even though the Agent works for the Vendor, they also must deal fairly and honestly with the Purchaser. An Agent cannot withhold any information, and they must tell you about any known defects with the property.

If you are a First Home Buyer — Please refer to our **“First Home Purchase”** booklet for further information.



Auction

A property auction is a fast-paced, public sale. The property is sold to the Purchaser with the highest bid after the Vendor's reserve price is reached on the Auction Day.

Summary of important things to know

- Purchasers should register their interest with the Real Estate Agent and ask to be informed if another Purchaser makes an offer before the auction date.
- Auction bids are open, so you know what everyone else is bidding.
- A reserve price is set by the Vendor.
- If you win an auction, you are committed to purchase the property. You will usually need to pay the purchase deposit on the auction day.

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Deadline Sale/Tender

Deadline sale is where a property is marketed for a set period with an advertised end date.

Summary of important things to know

- If a property is being sold by Deadline Sale, the Vendor sets a date and Purchasers can make an offer at any time before that date. The Vendor may indicate a price, and Purchasers can offer more or less than that price and see if the Vendor is open to negotiation.
- Purchasers can attach conditions to their Offer such as an offer expiry date, making the offer subject to a property inspection report, a valuation or approved finance or selling another property.
- Vendors can also attach terms and conditions to the sale, for example, the settlement date and which chattels will be included.
- If you cannot meet the conditions or need an extension, you need to talk to your Lawyer and the Real Estate Agent as soon as possible.
- A deposit is paid either on acceptance of the Agreement by the Vendor or on the Agreement becoming unconditional (depending on the terms of the offer).
- The remainder of the purchase price is due on settlement day (when the property is scheduled to change ownership).

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Contact Us

Please do not hesitate to contact us on 03 379 3880 to discuss how our commercial and property team may be able to help.

Disclaimer

The information in this booklet is current as at the date of publication and is only intended to provide general comments about the law. Young Hunter accepts no responsibility for reliance by any person or organisation on the content of this booklet. For further information or specific advice please contact our commercial and property team who will be happy to assist.