

PROPERTY **BUYERS** GUIDE



Quick step guide to
property ownership

watson
INTEGRITY

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Purchasing property is likely the biggest investment decision you'll make! So you want to be informed right? You've come to the right place!

In this guide we've assembled what you need to know about the buying process - from research to SOLD!

We've also interviewed real estate and investment experts on their top tips for how to compete with other buyers in the current market.

1. Bonus tips from our Sales Team

Our agents have supervised thousands of house sales and have a few secrets to share when it comes to competing in the current market...



Be firm with your bank or broker

Be firm with your bank or broker about knowing EXACTLY how many days you need to confirm finance. Changing the time from 5 working days to 3 working days can be the difference between success and failure.

Start researching early

Often there can be multiple offers on homes and with prices more expensive than what they used to be, it can be hard to figure out how much to pay.

This means that buyers can miss out on their dream home by not understanding the market.

It can take a while to learn the state of the market when you're looking to buy, so why not research what properties sell for that have similar criteria to a home you might like to buy.

Once a property is sold the price is considered public information. This means if you ring the real estate sales person they are able to share with you what the home sold for.

After doing this for a while you'll have a good idea what is being paid in market compared to the listing price and rateable value. This means when great property comes along you will have the knowledge to increase your chances of being successful in a multiple offer situation, when compared to buyers new to the market.

Talk to a good agent

Talk to a good agent and get on their buyer database. Let them know what you're searching for in terms of price range or suburb preferences so that you'll be contacted as soon as something suitable hits the market. Agents may also know of quiet listings that aren't on the market, so you can get in ahead of other buyers.


Make a top 10 list

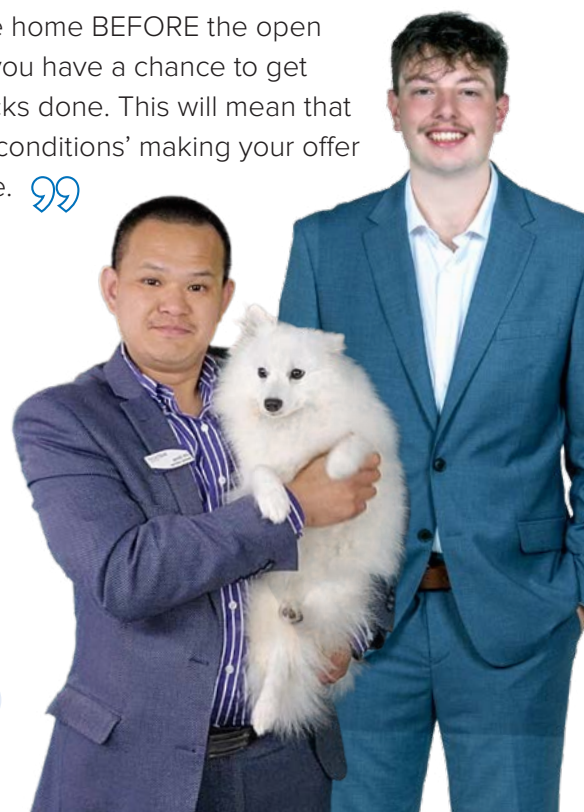
I have found after many years of working with buyers that a very good tip is to compile a list of the 10 things you would like in the property you are buying.

Then, if you can tick off 7 of these items you should seriously consider buying the property, if you tick off 8 then you should be buying it.

In other words, everyone needs to compromise at some point. Unfortunately it is not a perfect world.

Get in early

Try viewing the home BEFORE the open home so that you have a chance to get specialist checks done. This will mean that you can drop 'conditions' making your offer more attractive. 



2. Deciding what you want

When you're starting the buyers journey it's useful to put some time into thinking through what your 'must haves' for a house are.

In a competitive market there is a good chance you might end up needing to compromise so let's get started with the following:

- What are your non-negotiables for your new house? (ideally less than 10)
- What are your 'nice to haves'?

This will help you narrow down your focus when it comes to the house hunt.

3. Doing the research

The more research you can do the better. This will help ensure that any offers you make on properties are realistic and will give you the best chance of competing with other buyers.

Some good places to start are:

- Searching previous sold prices for the area you are wanting to buy in.
- Having a chat to your local real estate consultant about the current buying market and the type of property you are after.

Resources for recent sold prices:

- [homes.co.nz](https://www.homes.co.nz)
- [qv.co.nz](https://www.qv.co.nz)
- [oneroof.co.nz](https://www.oneroof.co.nz)



4. Talk about \$\$\$ early

Now is the time to figure out how much you can afford to borrow. We suggest talking to your bank or mortgage broker so you can get a good idea of the buying range you will be looking at.

TIP!! If you can get pre-approval from your lender then this will put you in a much more competitive position come offer time. Now

is also the time to look into what grants you may qualify for - for instance are you eligible to use your KiwiSaver and do you qualify for a HomeStart grant?

Budgeting resources: Sorted.org.nz have a handy budgeting tool for working out how much you can afford to pay off.

5. Gather your house team

To purchase a house you are going to need a support team in place! Of course this might begin with friends and family members to give you advice on the process and doing some research. Once you're serious about the process there are some essential people you'll need:

- A lawyer
- An insurer
- Your bank or mortgage broker
- A building inspector (or at least an idea of who you might use)

It's a good idea to line up your 'house team' now so you'll be sorted if you see a place that you want and can afford to pay off.



6. The House Hunt begins...

Now you've got a list of your non-negotiables, an idea of your finance and your support team in place you can begin the search....

[Realestate.co.nz](https://www.realestate.co.nz) & [Trademe.co.nz/property](https://www.trademe.co.nz/property) are good places to start online.

Many of these sites have open home planners so you can start booking in the open homes that you want to attend.

PRO TIP: if you are really keen on a property then see if you can get in to view before the first open home. In a multiple offer market there will often be offers made after the first open home, so don't be slow or put it off to the 2nd or 3rd open homes.

You can also register your buying criteria with a property consultant who can alert you with any listings that come to the market. They may even be aware of 'quiet' listings that aren't being publicly advertised yet.

Ask the agent

When you're at open homes make sure you get the information you need out of the property consultant. Some questions you might like to ask are:

- Have there been any other offers?
- How much are the rates?
- What reports are available (for example Council records, title etc)?
- What chattels are included / or not included?
- Are there any known issues with the property?
- Has there been any work done on the property?
- How long has it been on the market?

Useful Checks

Getting a builders' report (if you decide to make an offer) will give you some solid assurance on your investment. That said, there are plenty of things you can look at yourself at the open home. Consider:

- Dampness of the house
- Plumbing and pressure (e.g. turning shower on)
- Guttering – signs of rust or blockages
- Exterior condition – e.g. peeling paint
- Roof – looking for signs of damage or loose tiles
- Windows – any cracks in the glass and do they open easily
- Drainage – any evidence of water collection

7. Found it!

Once you've found a house that you'd like to make an offer on it's important to do your homework, for example viewing the Title and the Council Records. You will want to have a builder look through the property (or make this one of your conditions).

What Conditions?

When it comes to making an offer you need to know what conditions you'll be placing on the contract. There are two main types of offers that you have probably already heard of:

Unconditional offers

This means you have no conditions on the contract. Getting yourself into a position where you can make an unconditional offer can make you more attractive to sellers and more competitive in multi offer situations. However do not enter this lightly!

You need to have your finance 100% approved to make an unconditional offer and ideally have a builder look at the property before you make the offer – so you'll have to move fast. Remember you have a legal obligation to go through with the sale so think about this carefully and make sure all your ducks are in a row!

Note! It is very important to have your lawyer check the title of the house before you consider making an offer. You can also get your lawyer to check over the offer before you sign it.

Conditional offers

These are still binding legal agreements however it means there are certain conditions that must be met before your sale goes through.

Common conditions that people place on offers include:

Subject to builders report, finance, and checking Council Records or LIM.

Understanding multi offers

In a competitive market you may end up in a multi-offer situation, which is when more than one buyer makes a written offer on a property. Here's a few things to know about multi-offer situations:

- The agent must inform you that it is a multi-offer situation.
- In this instance the seller can choose whatever offer works best for them.
- As a buyer in this situation it's important to put your very best offer up first time as you may not get another chance.

8. Making an offer

Once you're clear on the conditions (or not) that you require then you can work with the property consultant on your offer.

What will you need?

Should you decide to make an offer on a property the Agent you are working with will likely ask you the following minimum questions:

- The full names of the buyers
- The purchase price you'll be paying
- The deposit (and method)
- The settlement period that you require
- The name of your chosen solicitor or conveyancer
- The name of your bank
- Any special conditions that you may have on your offer and what time frame you need to satisfy them.



How to make your offer more competitive

The real estate market continues to be hot in Palmerston North. This often results in multiple offers on properties. At present more often than not in fact. A suggestion for buyers competing in multiple offer situations is that if possible if they can get into a position where they can make an unconditional offer then this can give them a much better chance of purchasing the property. For example, we may have a home that comes on the market in the middle of the week with the first open home on the Sunday. Say we get four people who want to buy the property and they each make an offer. Say three of these were conditional on the usual type conditions like subject to finance, subject to builders report and subject to LIM report or checking Council records, whereas the fourth offer was unconditional.

Each of these offers are then presented at the same time to the vendors. The vendors would be likely to consider the unconditional offer even if it's not the highest offer. They often just accept it because they know that their house is then sold immediately. Alternatively if the unconditional offer is lower than one or two of the others the vendors may still choose to negotiate with this offer and if the price then gets agreed, the property is sold to that buyer who may otherwise have missed out.

Making an unconditional offer is certainly not something to be done lightly and as a buyer you need to have all your ducks in a row to consider doing this. You need to have your finance all 100% approved by your bank, you also need to have checked Council Records, have the Title checked over by your lawyer and have a builder view the home before your offer is made. All of these things can be done though if you really wish to buy the house.

Certainly on a hot market an unconditional offer can be the difference between buying a home and missing out.



8. You've bought a house!

If your offer is accepted by the seller then congratulations! The house is almost yours! The next step is any of your conditions have to be met before the contract can go unconditional. Once this happens the property will go “unconditional” and it will proceed to settlement day.

You will normally be expected to pay your deposit directly to the real estate agent at this stage. The deposit will be placed in a trust account for 10 working days and then dispersed.

When can I move? Settlement day

Before you hit settlement day there's a few things you'll need to have sorted. Your lawyer will be able to help explain everything that needs to happen for that part. A few key things are:

Arranging to inspect the property (called pre-settlement inspection) a few days before settlement

Making sure your insurance is in place

Making sure your finance is ready

For your actual settlement day your lawyer will take care of the work around this, which includes your contribution being paid and your bank or lender paying their portion of the settlement funds.

The exciting part for you... THE KEYS!!

Today is the day you can pick up the keys. Keep in mind it may be later in the day that you can pick up the keys. If you are wanting to move into the property on settlement day then make sure you communicate with your lawyer to ensure everything happens without delay so you can collect the keys and get into your property. (Or arrange to move the day after settlement)



More free buyers resources

[Sorted.org.nz](https://sorted.org.nz)

Independent financial advice including borrowing advice and budgeting

[Real Estate New Zealand - realestate.co.nz](https://realestate.co.nz)

One of the largest online sites for real estate listings, you can also sign up for email alerts when properties meet your criteria

[QV.co.nz](https://qv.co.nz)

Allows you to search for property, street, suburb information pricing and generate different reports

[Homes.co.nz](https://homes.co.nz)

Free estimated values, sales histories from your area and Council records of properties.

[Onerooft.co.nz](https://oneroof.co.nz)

Search for properties, look at information on school zones, property values, market trends and more.

[Settled.govt.nz](https://settled.govt.nz)

A huge range of information on buying and selling, including what you need to know about sale and purchase agreements plus pre settlement checklists

[Kainga Ora](https://kainga.govt.nz)

Information on the different types of government assistance available to help you buy – including KiwiSaver first-home withdrawal, KiwiSaver HomeStart grant, Welcome Home Loan and more..



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