

Buy a home not a headache

Buying a property is probably the biggest financial transaction that most people will ever enter into. But how do you ensure that the prop-

erty is safe to buy? A recent example shows what not to do. Sarah and Andrew had been going to open homes for months.

Finally they found a property they instantly fell in love with. They had been looking for ages and, worried that someone would buy it, put in an unconditional offer.

Unfortunately, the property had been renovated by an owner who had not obtained the required building consent for the addition of a master bedroom ensuite.

If Sarah and Andrew had been more careful and had the property thoroughly checked out before signing an unconditional agreement, they would likely have discovered the missing building consent.

That way they may have been able to make their offer conditional on the seller taking the necessary steps to remedy the situation.

Because they didn't sign a conditional agreement, Sarah and Andrew's options to require the seller to fix things were limited and they are now incurring that expense themselves.

There are many ways you can check a property before you are locked into a purchase.

The following are five golden rules. Where appropriate you should consider including these as conditions in your Agreement for Sale and Purchase to ensure you are not bound to purchase until you are completely



LEGAL MATTERS

ALAN KNOWSLEY

RAINEY COLLINS LAWYERS

satisfied with the property:

■ Get a builder's report.

These come in all varieties, but commonly involve a suitably qualified builder going through the property to check its structural integrity and the quality of construction.

Reports can also cover wiring, internal moisture levels (ie, is it leaky?), plumbing and roofing.

■ Obtain a Land Information Memorandum report from the local council.

Such a report for the property is compiled from council records.

It will tell you whether consents have been granted for any building work and also whether that work was signed off with final compliance.

It will also provide information as to where the underground services are located, an aerial photograph of the property and details as to any historical hazards that may have affected the property in the past.

■ Have your lawyer search the title to the property.

The lawyer acting for you will search the title and advise on matters that you need to know

about.

They are looking for things like restrictions and other impediments on the title.

Of particular importance are the contents of rights, called easements, where there are shared services and rights of way for access.

■ Obtain a valuation.

You may wish to make your purchase conditional on receiving a satisfactory market valuation report.

It is better to know the value of what you intend to buy before being contractually bound.

These are carried out by registered valuers and use comparative values of surrounding properties to find the market value.

If you are borrowing money for the purchase, the lender will often require this report as a condition of approving finance.

■ Make sure you have arranged finance to buy the property.

No matter how perfect the property is, in most situations you will not be able to follow through with the purchase without some borrowing.

You can shop around and find the lender that best suits your needs, or get a mortgage broker to do this.

Following these golden rules will help prevent nasty surprises before you are contractually bound to purchase.

■ Courtesy of Rainey Collins Lawyers phone 0800 733 484. If you have an inquiry, email Alan on aknowsley@raineycollins.co.nz.

Is it time to check your Exterior House Plaster?

Regular attention to maintenance, repairs & repains will enhance the look & can extend the life of your home's cladding

Call the experts NOW for your free quote on all maintenance, repair & repaint work

Licensed Building Practitioners

Texturite Coatings
022 010 6707