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THE IMPORTANCE OF ARRANGING A PRE-SETTLEMENT INSPECTION

When buying a property there is a lot to think about and do - sign the contract, obtain finance approval, arrange for builder and valuation reports, check the LIM report to name a few!

Once your conditions are confirmed you may breathe a sigh of relief - now time to start packing! During this time there are a few things which shouldn't be overlooked - deciding on the form of ownership for the property, finalising the terms of your lending and undertaking a Pre-Settlement Inspection.

The most commonly used Agreement for Sale and Purchase of Real Estate throughout New Zealand, provides for a pre-settlement inspection for the purposes of examining the condition of the property, chattels and fixtures. This should not be overlooked!

We recommend arranging for an inspection of the property before settlement day to check the property is in order. This can be arranged with the Real Estate Agent (if applicable).

If you are or unable to undertake the inspection yourself (you may be in a different part of the country) then you can authorise another person to undertake the inspection on your behalf.

You will need to check the condition of the chattels and all plant, equipment and systems (including security, heating, cooling or air conditioning). These are to be

delivered to the purchaser in reasonable working order but otherwise in the state of repair as at the date of the Agreement. To that end you will need to take note of the condition of the chattels at the date the Agreement is signed as well.

You will also need to ensure there has been no damage to the property since the Agreement was signed.

Most importantly we recommend the inspection is undertaken by no later than the morning before settlement. If the inspection raises any issues, the Purchaser must serve a Notice of Claim on the Vendor by 5.00pm the day prior to settlement. If the amount of compensation is agreed it is to be deducted on settlement.

Pre-Settlement Inspections are always recommended when purchasing a property. We suggest these are not left to the last minute just in case any issues arise!

If you have any other queries regarding Pre-Settlement Inspections or any other matters when buying or selling a property, please do not hesitate to contact the Collins & May Law Team.

20 MINUTE FREE

**WANT to review your Family Trust structure?
THEN call us and take advantage of our 20 Minute Free interview**