

Due Diligence CHECKLIST

Aspiring Law^A

Buying a property can be very exciting but it can also be stressful. We get it. There is a lot to consider. Our goal is to make the process as smooth as possible.

Buying property, whether for personal or investment purposes is probably the biggest investment you will ever make in your life. Therefore, it's important to get the right advice and seek the services of a lawyer.

Generally speaking, spending a little money on the relevant professional reports before committing to buying a property is money well spent. It means you will have your 'eyes wide open' and a better understanding of what you are getting into.

Subject to the conditions of the agreement, there may be scope to sort out any issues that crop up or consider the other options available to you. Your lawyer will be able to help you.

Before purchasing

Before purchasing a property, you need to be comfortable with all aspects of the property, including being sure you understand:

- your rights and obligations under the sale and purchase agreement;
- the title for the property;
A title is a document that shows the property's owner, its legal description and the rights and restrictions registered against the property. For example, there may be a requirement that a house is built with certain materials or there is a height limitation.
- the Land Information Memorandum 'LIM';
A LIM Report is provided by the local council and is a summary of the current property information held by the different departments. For example, it can tell you if previous alterations or construction works has been signed off by the council or whether it is liable to flood or may be prone to subsidence or erosion and cause problems in the future.
- the building report;
a pre-purchase building report sets out the results from a building inspection carried out.
- the functioning body corporate and associated matters if purchasing a unit;
- that you have, or will have, sufficient funds to complete the purchase. This means having 'cash' and/or pre-approved bank finance, KiwiSaver withdrawal approval or pre-approval for a government first home grant;
- any professional advice given, reports or costings e.g. accountant, engineering, architect, consent fees, building plans;
- the time required to satisfy any finance requirements and/or complete other property enquiries;
- that the property is insurable; and
- that the property is suitable for your needs and intended use.