Buying by deadline

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 seller sets a date and buyers can make an offer at any time before that date. The seller may indicate a price, and buyers can offer more or less than that price and see if the seller is open to negotiation.
- Buyers 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.
- Sellers can also attach terms and conditions to the sale, for example, the settlement date and which chattels will be included.
- If you can't meet the conditions or need an extension, you need to talk to your lawyer or conveyancer and the real estate agent as soon as possible.
- A deposit is paid either on acceptance of the agreement by the seller 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). Check the settlement date and make sure you have all your finances and other arrangements in place before then.
- If there is more than one offer, the sale may become a multi-offer process.



Identifying deadline properties for sale

A deadline sale may be advertised using the terms 'deadline treaty' or 'deadline sale'. The property advertising may include the words 'unless sold prior', which means the property can be sold before the end date.

Offers can be made at any point up to the end date. Sellers can choose to accept an offer at any time, so you need to be proactive in registering your interest.

RESEARCHING THE PROPERTY

Before you make an offer, learn as much as you can about the property and ask your lawyer or conveyancer to review and help you understand any reports you get.

- Work out the value of the property.
- Do a title search.
- Get council information.
- Check the house and land thoroughly.
- Get a property inspection report.

CONFIRMING YOUR FINANCES

If possible, make sure your finances are in order before you make an offer. If you are using a lender, you may need to include finance approval as a condition of the offer. Your lender may want specific details about the property before you make an offer, even if you have pre-approved lending.

You will need to pay a deposit when the agreement is signed or soon after. The deposit is usually around 10% of the purchase price.

MAKING AN OFFER

If you're interested in a property being sold by deadline sale, let the agent know straight away. The seller can accept offers at any time. They don't need to wait for the deadline date.

When you're ready to make an offer talk to your lawyer or conveyancer or the agent selling the property. Your lawyer or conveyancer or the agent will prepare a sale and purchase agreement for you to sign.

See a lawyer or conveyancer early to help you through the deadline sale and settlement processes.

Read more about the sale and purchase agreement here.

Deciding what kind of offer to make

You can choose to make an unconditional or conditional offer on the property:

- An unconditional offer means you do not have any conditions to meet before buying the property. This is sometimes known as a cash offer.
- A conditional offer means you have conditions that you want met before you agree to buy the property.

If you make a conditional offer, the real estate agent will negotiate on behalf of the seller. This means the real estate agent may make suggestions which will benefit the seller. Conditions could include making your offer subject to getting a building inspection or a valuation, confirming your financial arrangements or selling your own property.

The seller can also attach conditions to the sale such as changing the settlement date or specifying the details of the chattels (for example, stove, fixed floor coverings, blinds, curtains and light fittings) that come with the house.

Checking the sale and purchase agreement

If the agent prepares the sale and purchase agreement, you should get your lawyer or conveyancer to review it before you sign it.

Waiting for the seller to consider your offer

When you're happy with the sale and purchase agreement, the agent will present your offer to the seller to consider. If there is more than one offer, the sale may turn into a multi-offer process.

The seller doesn't have to accept the highest offer. They can accept any or none of the offers and may negotiate with anyone who submits an offer.



COMPLETING THE SALE PROCESS

If your offer is accepted by the seller, they will sign the sale and purchase agreement. You will either pay your purchase deposit now or when the agreement goes unconditional, depending on what you and the seller have agreed.

Working through conditions

If you have added conditions to the offer such as arranging finance or getting the property checked by an expert, you will have to complete these before a date agreed with the seller (and set out in the sale and purchase agreement). It's a good idea to get things moving quickly because the seller may be entitled to cancel the agreement, or you may be deemed to have not satisfied the conditions if you don't meet them by the due date.

If you need an extension to complete any conditions, you must speak to your lawyer or conveyancer who will negotiate with the seller through their lawyer or conveyancer. Any changes will need to be added to the sale and purchase agreement and signed off by you and the seller.

When all the conditions have been met, the sale becomes unconditional.

What if something goes wrong after my offer is accepted?

If there is a problem meeting the conditions of the sale, such as your finance arrangements falling through, or you are unhappy with the results of a property inspection report, and you want to withdraw from the sale, you must let your lawyer or conveyancer know as soon as possible. They will contact the seller's lawyer or conveyancer. Remember, this can only occur if you have stipulated these conditions in the sale and purchase agreement.

If all the conditions have been met and the agreement is unconditional, but you fail to complete the sale, you may lose your deposit, be taken to court or be penalised by the seller. You can consider adding a condition to the sale and purchase agreement that you will pay the deposit when the sale is unconditional.

Pay the agreed amount by the settlement date

You must pay the remaining amount agreed for the property on the settlement date. You usually pay the remaining amount through your lawyer or conveyancer, and on settlement day, you will get the keys to the property.

settled.govt.nz

Getting help if things go wrong

Unfortunately, sometimes things go wrong when buying property. There are steps you can take and organisations that can help you when you need it.