

# Maude & Miller

## RESIDENTIAL PROPERTY SALES - An overview of the conveyancing process

Selling a property can be stressful, especially if the process is new and unfamiliar. To help you better understand what will happen and to ease any concerns you may have, these notes give you a basic overview of the steps involved:

**Step 1 Talk to us first.** You should have your lawyer check the agreement for sale and purchase, to confirm it is in order before you sign it. Good agents will happily fax or email it to us. Note that if you are an overseas person, or a company or trust is selling the property, the seller must have a New Zealand IRD number before the settlement date. This can take time to arrange, so you need to address it at an early stage and contact us if you need assistance or if there is likely to be a delay. The sale process is also more involved if you are selling an apartment. We can advise you further on that if required.

**Step 2.** Once the agreement has been checked you can sign it.

**Step 3.** Any conditions in the agreement need to be satisfied by the buyer. We will work with you on this. Sometimes issues arise at this point that can add to the legal costs. For instance, the purchaser's building inspection may reveal problems and the purchaser may want to negotiate a lower price before proceeding with the transaction. Sometimes the agent resolves this, but if a problem is referred to us we will discuss the implications with you first.

**Step 4.** When the purchaser's conditions have been satisfied, we will request a discharge of mortgage from your bank (if any) and prepare all the other documents required for settlement.

**Step 5.** When all the documents are ready, we will arrange for you to sign them.

**Step 6.** We prepare and send to the purchaser's lawyer a "settlement statement" showing the exact amount to be paid on settlement. This sets out the price, less any deposit paid, and an adjustment of Council rates. It is usually easiest for everyone if the rates are slightly overpaid, and the extra amount is reimbursed by the purchaser as part of the balance of the price that we receive for you on settlement.

**Step 7.** Close to the settlement date we will send you our draft invoice and let you know the final amount of money you will receive. This may be an estimate if there is a mortgage to repay, as the bank may not give us a repayment figure until the actual settlement day.

**Step 8.** Settlement. This happens when we receive the balance of the price from the purchaser's lawyer. From that time the purchaser owns the property and is entitled to take possession (unless other arrangements were made at the time of signing the agreement). We will notify you that settlement has happened, repay your mortgage and pay any rates that are due. We also pay the surplus money to your bank account, or apply it to the purchase of your new house (if appropriate). Settlements commonly happen around the middle of the day but the exact time is outside our control. If settlement happens quite early in the day, you may be still moving out as the buyer is starting to move in. Everyone needs to be patient and work around each other in that case.

**Step 9.** After settlement we will send you a full report and notify Council of the sale. You will need to cancel your insurance and utilities such as phone, power and gas.

Please note this is only a basic overview of the sale. It is not a complete description of the conveyancing process. Not every sale will follow these steps exactly. Part of our role is to identify issues at an early stage and take appropriate steps to resolve them.