

First Home Buyer Tips



**Making an offer on
your first home**

Introduction

Buying your first home is an exciting journey — and when you find “the one,” knowing exactly what to expect when making an offer gives you clarity and confidence.

Whether you're working with a real estate agent or directly with the vendor, this guide outlines the steps, terminology, and documents involved.

At Mortgage Field, we're here to ensure you feel informed and supported every step of the way.

Talk to the professionals

In any contract negotiations, it is strongly recommended by Mortgage Field to have your **Solicitor** review the sale and purchase agreement before you sign/ make an offer.

Speak with your **Mortgage Field Adviser**. It's essential to have a pre-approval in place, or at the very least, a clear understanding of your borrowing capacity and buying power.

This insight will not only guide your decisions but also strengthen your position during negotiations.

Most importantly, it helps prevent the heartbreak, time, and effort of falling in love with a home that you may not be able to meet affordability or lending criteria!



Methods of Sale

There are several common ways a property may be sold in New Zealand.

Understanding the method will help you tailor your offer strategy:

Private Sale

- Sold directly by the owner without an agent. You'll negotiate terms with their solicitor or representative.

Listed Price

- The home has a fixed asking price. You can offer that amount or negotiate.

Offers Over \$...

- The vendor sets a floor price and expects offers above that. Treat this as a starting point.

Deadline Sale

- Offers must be submitted by a set date. You usually get one chance to present your best offer.

Auction

- A public bidding process. If you win, the agreement is unconditional. You'll need full pre-approval and to complete your due diligence before bidding.

By Negotiation

- No price is listed. You express interest and enter into negotiation with the agent/vendor.

Attending Open Homes

Open homes are your chance to assess properties and gather critical details. Keep these points in mind:

- Some questions to ask the agent;
 - other details about the property, known issues or unconsented work.
 - about the area the house is in (school zones, demand)
 - the seller's motivation to sell the property.
 - how flexible the seller is on the asking price
 - if by auction/ deadline ask the range and would the seller accept an offer pre auction/ deadline?
 - the settlement date – the seller may have another property they wish to purchase and must meet a certain date. This could help with your negotiations.
 - Request relevant documents (LIM report, Title, council file)
- Take notes, photos and videos – homes can blend together after a few visits.
- Take a close friend or family member with you for your next visit. They will add a fresh pair of eyes and will look closer to the details of the house. They will not live in the house so are not emotionally invested, so they should give you an honest appraisal.
- Watch for red flags or areas you may want a builder to inspect later.
- Take note of the neighbours, the road noise etc..

This is not an exhaustive list but these have helped other buyers in the past.

Ready to make an offer?

Here's what typically happens when you're ready to put in an offer:

1. Contact the Real Estate Agent – Signal your interest and ask for a Sale and Purchase Agreement. The Agent should have a Sale and Purchase already prepared with the legal details of the property and conditions of the seller.

2. Review the Agreement – If you have time involve your Solicitor and Mortgage Adviser to ensure the offer aligns with your finances and legal requirements.

3. Add your price and any conditions – Common ones include:

- Subject to finance (even if pre-approved)
- **3 day** cooling period for your Solicitor to review the offer.
- LIM report
- Builder's report
- Meth testing
- Valuation (if you require this)

4. Submit the Offer – The agent presents it to the vendor.

5. Negotiate or Receive Response – The vendor may accept, counter, or reject the offer.

6. Mutual Agreement – Once both parties sign, it becomes a legally binding contract (subject to any conditions you've included)

7. Start Satisfying the conditions – If the offer is accepted to both parties then you will need to go through the conditions of the offer as soon as possible to meet finance date.

- Satisfying the Finance Conditions or seeking Approval
- Organising a Builder/ Meth tester to inspect the property if conditioned for.
- Obtaining a LIM from the local council
- If using your KiwiSaver as a deposit, your solicitor will need to start the withdrawal process.

The Sale and Purchase Agreement

The Sale and Purchase Agreement is the legal document outlining the agreement between you and the seller. It includes:

- Names of buyer/seller
- Property address and legal title
- Purchase price
- Deposit amount (usually 5–10%)
- Settlement date
- List of included chattels (e.g. dishwasher, curtains)
- Conditions (e.g. finance, LIM, builder's report)

Your solicitor will review this with you to ensure all conditions protect your interests.

Who to Send the Document To

Once your offer is prepared and signed, ensure it's shared with:

- Mortgage Adviser (Mortgage Field) – for finance coordination
- Solicitor – for legal oversight, managing conditions and if required, applying to withdraw your KiwiSaver.

Open, prompt communication between all parties avoid delays and confusion.

The Sale and Purchase Agreement

Note: This example is the first page of the full document - there are other versions of a Sale and Purchase Agreement.

ADLS | REINZ

Eleventh Edition 2022 (3)

AGREEMENT FOR SALE AND PURCHASE OF REAL ESTATE

This form is approved by the Real Estate Institute of New Zealand Incorporated and by Auckland District Law Society Incorporated.

DATE: **Date contract signed by all**

VENDOR:

Full legal name(s) of Seller/ Owner of property

PURCHASER:

and/or nominee

Full legal name(s) of Buyer(s) - thats you!

The vendor is registered under the GST Act in respect of the transaction and/or will be so registered at settlement: **Yes/No**
If "Yes", Schedule 1 must be completed by the parties.

Purchase price allocation (PPA) is relevant to the parties for income tax and/or GST purposes: **Vendor Yes/No**
If both parties answer "Yes", use of the PPA addendum for this agreement is recommended. **Purchaser/Purchaser's Nominee Yes/No**

PROPERTY
Address:

Estate: **FREEHOLD** **LEASEHOLD** **STRATUM IN FREEHOLD**
STRATUM IN LEASEHOLD **CROSS-LEASE (FREEHOLD)** **CROSS-LEASE (LEASEHOLD)**

If none of the above are deleted, the estate being sold is the first option of freehold.

Legal Description:

Area (more or less):

Lot/Flat/Unit:

DP:

Record of Title (unique identifier):

Completed by the Real Estate Agent

PAYMENT OF PURCHASE PRICE

Purchase price: \$ **YOUR OFFER**

Plus GST (if any) OR Inclusive of GST (if any)
If neither is deleted, the purchase price includes GST (if any).
GST date (refer clause 13.0):

Deposit (refer clause 2.0): \$ **Deposit to pay when this offer is unconditional (on Finance Date)**

Balance of purchase price to be paid or satisfied as follows: **Settlement Date (Move In)**

(1) By payment in cleared funds on the settlement date which is:

OR

(2) In the manner described in the Further Terms of Sale.

Interest rate for late settlement:

% p.a.

CONDITIONS (refer clause 9.0)

Finance required (clause 9.1): **Yes/No** Finance date: **Date to get your home loan approved by***

LIM required (clause 9.3):

Yes/No

LIM date:

Building report required (clause 9.4):

Yes/No

Building report date:

Generally the same as finance date

Toxicology report required (clause 9.5):

Yes/No

Toxicology report date:

OIA consent required (clause 9.6):

Yes/No

OIA date (clause 9.8):

This is for Offshore Investors

Land Act consent required (clause 9.7):

Yes/No

Land Act date (clause 9.8):

Agent to complete

TENANCIES

Yes/No

Particulars of any tenancies are set out in Schedule 3 or another schedule attached to this agreement by the parties.

It is agreed that the vendor sells and the purchaser purchases the property, and any chattels listed, on the terms and conditions of this agreement.

Release date: 9 May 2023

© AUCKLAND DISTRICT LAW SOCIETY INC. & REAL ESTATE INSTITUTE OF NEW ZEALAND INC. All Rights Reserved. See full terms of copyright on the back page.

***Condition to finance, even if you're pre-approved.**

Glossary

LIM (Land Information Memorandum)

A report from the local council showing everything they know about the property, including consents, zoning, hazards, and drainage.

- Approx Cost: Ranges from \$300 – \$500+

Builder's Report

An independent inspection of the property's condition, identifying structural or maintenance issues before purchase.

- Approx Cost: Ranges from \$400 – \$800+ though this can vary based on the property.

Meth Test

A test to detect contamination from methamphetamine. Important for properties suspected of prior drug use or manufacture.

- Approx Cost: Ranges from \$200+ depending on size of the dwelling.

Finance Date/ Unconditional Date

The deadline for (4pm same day) confirming that your finance/ home loan has been fully approved and other conditions of the contract being met (LIM, Builders Report etc..). If unmet, the contract can be cancelled (if conditional).

- In some contracts, it is either a date or by how many business days (excl weekends and public holidays).
- If the Finance Date is by business days, day one starts from the next business day from the date of the contract. e.g if signed on Sunday, day one is Monday (unless this a public holiday)
- The contract is legally bound to settle by both seller and purchaser when the offer is unconditional (all conditions satisfied).

Glossary

Settlement Date

The day the property officially changes ownership — the remainder of the purchase price is paid to the owners solicitor.

- Your solicitor will inform you when to receive the keys. This does not necessarily happen at the very same moment your home loan is settled.

Vendor

The person(s) selling the property.

Purchaser

The person(s) buying the property — that's you!

Deposit

The upfront payment (usually 5–10% of the purchase price).

- This is to be paid once the agreement becomes unconditional. Held in trust until settlement, sometimes it is paid to the agents trust account.
- In the highly unlikely event you wish to back out after the offer is unconditional, then the vendor may keep the deposit paid and is therefore nonrefundable.

Chattels

Items included in the sale (e.g. oven, curtains, heat pump). Listed in the Sale and Purchase Agreement.

- Its important to note that these chattels must be in working order on your final inspection of the house before settlement. If for example, you find the curtains have been torn down or the heat pump is not working. Then inform the agent and your solicitor to have these repaired.

Legal Title

The official record of who owns the property and any restrictions (e.g. easements, covenants). Usually supplied by the agent.

Glossary

Real Estate Agent

A licensed professional acting on behalf of the seller to market the property and manage offers.

Solicitor

A legal professional who reviews contracts, manages due diligence, and facilitates the settlement process.

- You must notify the agent at the time of making your offer who your solicitor is.
- If you do not have one, we can recommend a solicitor.
- Ask your friends and family who they would personally recommend.
- If you wish to withdraw your KiwiSaver to contribute towards the purchase, then this solicitor will apply for these funds to be withdrawn.

Some FAQs

What if my offer is rejected?

This is **not** uncommon – this is all part of negotiation. You and the seller just need to find where the agreeable price and conditions are. Then if this meets both your needs, check with your Solicitor and Mortgage Adviser.

Can I change my mind after signing?

No, in New Zealand, you generally cannot change your mind after signing a sale and purchase agreement if the seller has signed it also – it becomes a legally binding document.

- Check with your Solicitor!

How much should I first offer?

Your budget and pre-approval (not to be shared with your agent) will personally dictate your ceiling. There are so many factors that could influence your first offer such high demand for that property, multi offers etc... If there are no such influences, then start low but do not insult the seller (they may not wish to entertain any more offers from you) then you can always increase as you get close to your budget. Remember you will not be able to negotiate backwards.

Tip – comparable sales may help guide this. We can provide support through a free property report.

Do I need to have the cash to pay the deposit?

Yes – typically 5–10% of the purchase price, payable once the offer is unconditional.

- If your deposit is coming from your KiwiSaver, then you need to inform your Solicitor immediately after the offer is accepted. Your solicitor will then start the process of applying for these funds from your KiwiSaver provider – this could take up to 5–10 days.

Some FAQs

What if my finance is declined?

If you included a finance condition, you may be able to withdraw. If your offer is unconditional, speak to your solicitor immediately.

Can I get an extension on the finance date?

Yes, if the vendor agrees in writing. Your solicitor handles this process.

Can I add custom conditions?

Yes — you can include clauses like “subject to sale,” meth testing, or specific repair requests.

Who pays the real estate agent’s fee?

The vendor pays the agent’s commission — not you as the buyer. This generally comes out of the deposit you pay when the sale and purchase has gone unconditional – you have met all the conditions prior to or on finance date.

disclaimers

This guide is provided for general information purposes only and is intended to assist first home buyers in understanding the typical steps involved in making an offer on a residential property in New Zealand.

- It does not constitute legal advice or a substitute for professional legal services. You should seek the advice of a qualified solicitor for any legal matters related to your property purchase.
- It does not constitute personalised financial advice. The information does not take into account your personal financial situation, needs, or objectives. We recommend speaking with a licensed financial adviser (like Mortgage Field) before making any financial decisions.
- While every effort has been made to ensure the accuracy of the information provided, Mortgage Field makes no warranties or representations as to its accuracy, completeness, or suitability for any particular purpose.
- Property transactions carry risks, and we strongly encourage all buyers to conduct independent due diligence, including obtaining a LIM report, builder's report, and seeking legal review of any Sale and Purchase Agreement.

Mortgage Field is a licensed New Zealand financial services provider. For more information about our services or to request a disclosure statement, please contact us or visit www.mortgagefield.co.nz.