

Let us introduce ourselves

Serving the local community and national and offshore clients for over 35 years, MACTODD's hallmark is our friendly and professional approach. Our state-of-the-art technology provides an accurate, efficient and cost effective service.

We pride ourselves on our innovative approach, meeting the demands and time zones of our diverse clientele.

MACTODD is a leading South Island law firm with a national reputation for its experience and expertise across a wide range of the law.

Do you need consent?

Not all investments in NZ require consent from the Overseas Investment Office ("OIO") but like many countries, NZ has controls on overseas investment. Certain land is subject to OIO consent. We have expertise in this area and are able to guide you through OIO issues.

Land is "sensitive" (and will need consent if you are an "overseas person") if it is:

- "non-urban" and exceeds 5 hectares in area (including associated land) i.e. farm land;
- land that adjoins foreshore, seabed, lakebed, certain islands, land held for conservation or reserve and certain other sensitive land and exceeds 0.4 hectares in area;
- foreshore or seabed or adjoins foreshore and exceeds 0.2 hectares in area.

We can advise you on every aspect of the above considerations and will be happy to discuss the process of making an approval application.

Differences to overseas systems

In New Zealand:

- No stamp duty.
- No cooling off period, however you can make your contract conditional upon certain terms and, if cancelled for a satisfactory reason, there is no deposit payable.
- The deposit is generally 10% of the purchase price and is usually payable upon the contract going unconditional.
- No vendor's disclosure for freehold properties (about financial, legal and planning details). Unit Titles (Strata Titles) do require vendor's disclosure.
- NZ does not have state or provincial laws. There is one system for the entire country with a standard form of Agreement for Sale and Purchase.
- Purchasers in NZ often use their solicitor to negotiate a contract on their behalf.
- Settlement and possession are usually on the same day.
- Once an Agreement for Sale and Purchase has been signed by all parties a legal contract is in place and the purchaser cannot be outmanoeuvred by a higher offer.

Guide to Buying Real Estate in New Zealand

Your Local Property Law Experts



Contact us

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MACTODD
LAWYERS

We are with you every step of the way

Our local knowledge, experience and expertise will provide you with the support and advice you need for a successful property purchase, regardless of the size or complexity of the transaction. We have extensive practical experience in the acquisition, development, financing, structuring and sale of commercial, residential, rural and viticulture properties for both New Zealand and international clients. We aim to make the process as simple and trouble-free as possible, adopting a common sense and practical approach.



Buying a home or investment property

Are you looking for a holiday home, permanent residence or business investment? Whether you are thinking of purchasing a beach house, an alpine ski lodge or even a vineyard, there is no shortage of residential, commercial or rural options in New Zealand.

Our property team will provide you with the knowledge, support and advice to guide you through the purchase process.

The Agreement The Agreement for Sale and Purchase is a legally binding contract. The Agreement is usually prepared by the real estate agent but can be prepared by a solicitor.

It is highly recommended you show your solicitor the Agreement **before** you sign it so that any amendments required can be made before it is signed by the purchaser and the vendor. For example, it is wise to include a Due Diligence Clause in the Agreement.

GST The purchase price may be plus GST or inclusive of GST depending on the GST status of the vendor. It is important to receive advice from your solicitor and/or accountant as to the tax implications of your purchase. GST can be an issue with some holiday homes.

LIM Your investigation should include a title search (to check who legally owns the property and if anyone else has any claim over it) and a Land Information Memorandum (LIM). The LIM contains all the important current and historical information the local council holds about the land and property. Your solicitor will help you with obtaining these and will report and advise on their contents.

Finance You may need to obtain bank finance to complete your purchase. Your solicitor can liaise with the Bank and prepare all the finance and mortgage documentation for you and if necessary, ensure that the Agreement is subject to finance.

Further Terms of Sale There are common conditions of sale and purchase which can be inserted for the benefit of the purchaser. One such condition is a requirement for a Building Report. This provides the purchaser with a thorough overview of the property they wish to purchase, noting faults that should be immediately remedied as well as highlighting any long term maintenance issues. Your solicitor can guide you on the benefit of such a condition, organise a building report for you, review its contents and advise you on possible steps. You may also wish to conduct additional Due Diligence enquiries. Once all conditions have been satisfied the Agreement is confirmed as unconditional and the deposit is paid. Settlement occurs on a date that is mutually agreed by the vendor and purchaser.

Your Solicitor can guide you on the benefits of conditions and those which are suitable for your purchase.

FAQs

- Why do I need to engage a NZ solicitor in the purchase process?
- I am part of a Pension Fund scheme, can I use this towards my NZ purchase?
- Should I be concerned about Overseas Investment Act (OIO) restrictions?
- What does it mean for me if there is a restrictive covenant registered against the title of the property I want to buy?
- I'm buying a Unit Title Property, what is a Pre-Contract Disclosure Statement? Can I request additional information on the property?
- I've joined Kiwisaver, can I use it as my deposit?
- I'm looking for an income producing investment, how do managed apartments work?
- I'm buying a house with my de facto partner; do we need a Property Sharing Agreement or a Relationship Property Agreement? What does Tenants in Common mean?
- I'm buying a furnished house, should I search for any security interests registered against the chattels in the house?
- I'm looking at a property that is being sold by the mortgagee, the price seems very low. Should I be wary? Are there any pitfalls to a mortgagee sale?
- I want to buy a section in a new subdivision. Titles have not been issued yet. Will this present any problems regarding finance? Should I wait until titles have issued before I commit to buying?
- How do GST zero rated transactions work?

Make an appointment with MACTODD today to find answers to these questions and more...

