



Buying or selling a house – what happens on settlement day?

Buying your first home is one of the most important investment decisions you will ever make.

Once you have completed the negotiation and contracting process and all of the conditions of the Agreement have been satisfied, the day comes to pay and take legal ownership of your new property. This day is commonly referred to amongst the conveyancing profession as “settlement day”. It is important to remember that on settlement day, there are sometimes hold-ups which may prevent you moving in as soon as you would like...

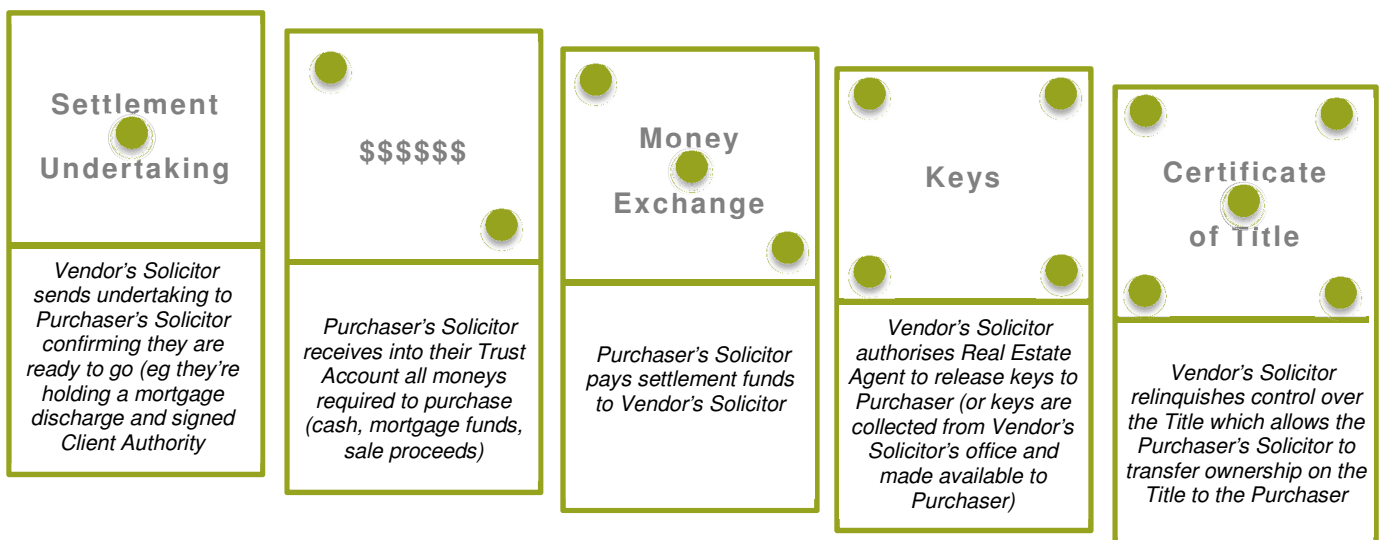
WHAT MIGHT HAPPEN, AND WHY?

In an ideal world, on settlement day, the Vendor (or Seller) vacates their property early in the morning leaving the property spotless. The Purchaser pays for the property early in the morning and keys are released to the Purchaser so that they can proceed to move in to their new home. This ideal scenario happens the majority of the time, with satisfied Vendors and Purchasers at the end of the day.

However, unfortunately there are factors which can affect the “settlement day” process which are beyond the control of the Purchaser or Vendor. These factors may impact on the exchange of keys, sometimes resulting in anxiety and stress for the parties involved.

Settlement day is rather like a game of dominos, one domino must fall to start the chain reaction. If the first domino, or one further down the chain fails to fall, then the chain reaction is broken, resulting in a delay in the settlement process.

SETTLEMENT DAY DOMINO CHAIN



SOME SCENARIOS WHICH MAY CONTRIBUTE TO A BREAK IN THE DOMINO CHAIN ARE:

- **Is your transaction part of a different domino chain?**

Does the person who is buying off you need to sell their house first? If so, then that sale needs to happen before they can buy from you. Sometimes these chains can involve four or five different properties, so if you are the Purchaser at the end of that chain, your settlement relies on the properties before you in the chain settling before you, meaning your settlement may happen late in the day.

- **Has there been a hold-up with settlement documentation?**

A hold-up in the documentation side of the settlement process such as availability of Bank discharge authorities, Purchaser's loan documents or signatures on client authority forms, can delay the settlement process.

- **Delays in payment of loan funds into Solicitor's Trust Accounts**

Occasionally there may be hold-ups with lending institutions paying loan funds into the Solicitor's trust account - these delays are often outside of the Solicitor's control. If there is a delay with payments from the Bank, then this will delay the Purchaser's Solicitor being able to pay the Vendor's Solicitor.

- **"Eleventh hour" Inspections**

Sometimes Purchasers complete late pre-purchase inspections. If the Purchaser is not satisfied with the state of the property, then last minute negotiations between the respective parties Solicitors will need to take place, causing a delay in settlement.

- **Vendor's not vacating in a timely manner**

Your moving van is parked outside waiting to unload at your new property but the Vendor is still vacating.

Our team at Govett Quilliam are experienced in the sale and purchase of property, and we endeavour to have everything ready as far as we are able before settlement day, so that our clients do not suffer unnecessary delays in their settlement.

If unforeseen delays do occur, then we will do our utmost to sort out the problem for you and keep the domino chain momentum going. If there are unexpected delays or hold-ups, we need to be able to contact you quickly to sort things out and get the chain moving again. Please do not hesitate to phone us at any time on your settlement day to check on your settlement progress.



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