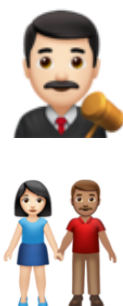


| Step 4 - Paid Due Diligence - Ask the Pros                                                             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|  <p>HouseMe Legal</p> |                                                                                     |  <p>Client</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          |
| <u>Due Diligence Task</u>                                                                              | <u>Whose job is it to do this?</u>                                                  | <u>Comment</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>Done</u>              |
| Review the record of title                                                                             |   | <p><b>Lawyer's job:</b> A title (record of title) review will provide you with valuable information regarding what registered interests are on the property and what impact these may have on the value and use of the property e.g. easements, covenants, consent notices, encumbrances, etc.</p> <p><b>Title Review Example:</b> <a href="#">Click here to see an example of a title review.</a></p> <p><b>Approx cost:</b> Included in your fixed fee for agreed services. The real estate agent will provide you with a copy of the title with the open home documents.</p>                               | <input type="checkbox"/> |
| Review the sale and purchase agreement                                                                 |  | <p><b>Lawyer's job:</b> Most property agreements in New Zealand are recorded on the ADLS Agreement for Sale and Purchase of Real Estate. This form is generally considered to be a balanced agreement between Seller and Purchaser unless there are further terms that have been added to the Agreement. Your lawyer will review this for you and will bring any issues to your attention.</p> <p><b>ADLS Agreement:</b> <a href="#">Click here to see an example of what the front page of the ADLS Agreement looks like.</a></p> <p><b>Approx cost:</b> Included in your fixed fee for agreed services.</p> | <input type="checkbox"/> |
| Valuation                                                                                              |  | <p><b>Your job/lender's job:</b> Order a valuation. Some banks will make their finance approval conditional upon the bank ordering a valuation that confirms the property is worth what you are buying it for. Be careful because banks will often want to use their own approved valuers so do not organise a valuation that they may not accept.</p> <p><b>Approx cost:</b> Between \$500-\$1000 plus GST.</p>                                                                                                                                                                                              |                          |

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| <b>Building inspection</b> |    | <p><b>Optional:</b> It is your decision whether to order a building report. HouseMe Legal strongly recommends you order a building report.</p> <p><b>Your job:</b> Contact a building inspector. A building inspector will look at the structural integrity of the house and will be able to assess if there are any leaks, unconsented works, etc.</p> <p><b>Building Inspector Checklist:</b> <a href="#">Click here to access our questions to ask a building inspector checklist.</a></p> <p>Your building inspector should check the original plans of the house against the current plans, the LIM, and the property file. The LIM and the property file should provide them with a history of all the recorded building works and they should be able to check all of the building works have been completed with a building consent/code compliance certificate.</p> <p>If there are any issues in the report, you may negotiate with the seller to have the defects rectified or you may be able to negotiate a lower purchase price. If you would like to order a building inspection, <a href="#">we can provide you with a recommendation.</a></p> <p><b>Building Report Condition:</b> <a href="#">Click here to access our comprehensive guide for the building report condition and to understand how you can make your offer conditional on approving a building report.</a></p> <p><b>Approx cost:</b> Between \$400-\$900 plus GST.</p> <p><b>Warning:</b> Sometimes a seller will supply their own building report. If you wish to rely on the information in a building report and protect your interests, you need the building report to be ordered under your name. This is because the building inspector only has a contractual relationship with the person who ordered the building report.</p> | <input type="checkbox"/> |
| <b>Meth Test</b>           |  | <p><b>Optional:</b> It is your decision whether to order a meth test. HouseMe Legal strongly recommends you order a meth test.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/> |
| <b>Property file</b>       |  | <p><b>Optional:</b> It is your decision whether to order the property file. HouseMe Legal strongly recommends you order the property file.</p> <p><b>Your job:</b> You can order a property file from your local council e.g. Auckland Council via this link <a href="#">here</a>. The property file comprises your local council's knowledge of the property. The property file normally contains original building plans and any consents that have been issued. The property file is useful for a building inspector to be able to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <input type="checkbox"/> |

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|                                      |                                                                                   | <p>compare the original plans against the current plans for the property to check what work has been completed at the property.</p> <p><b>Approx cost:</b> It depends on each local council. <a href="#">Auckland Council offers residential property files for \$67 delivered up to 10 Working Days and for \$101 for up to three Working Days.</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |
| <p><b>Review and order a LIM</b></p> |  | <p><b>Optional:</b> It is your decision whether to order a Land Information Memorandum (<b>LIM</b>) from the local council. HouseMe Legal strongly recommends you order a LIM.</p> <p><b>Lawyer's job:</b> Your lawyer can help you review a LIM which may contain information such as unconsented building works, contamination issues, flood risks, zoning (which tells you what you can do with the land), and rates.</p> <p>HouseMe Legal's review of the LIM is limited to:</p> <ol style="list-style-type: none"> <li>1. Checking all listed building consents have received code compliance certificate;</li> <li>2. Advising you what zone the property is in; and</li> <li>3. Advising you what the rates for the year are.</li> </ol> <p><b>Your job:</b> It is your responsibility at the open homes to compare the information in the LIM with what is actually at the property e.g. a carport that is not shown on the original plans.</p> <p>You should also show the LIM report to your building inspector.</p> <p>HouseMe Legal is not qualified to provide you with any advice regarding building issues, hazards, or town planning matters. If you require expert advice for these areas, we can refer you to a <a href="#">town planning specialist</a> or a <a href="#">building inspector</a>.</p> <p><b>LIM Report Condition:</b> <a href="#">Click here to access our guide for the LIM Report Condition and to understand how you can make your offer conditional on you approving the LIM Report.</a></p> <p><b>Extra cost for HouseMe Legal to review the LIM:</b> \$230 (GST inclusive).</p> <p><b>Extra cost to order the LIM:</b> The exact cost of a LIM is dependent on each local council. For example, Auckland Council will charge you \$325 for a LIM to be delivered to you within 10 working days and \$439 for a LIM to be delivered to you within three working days: <a href="#">How to order a Land Information Memorandum (LIM) (aucklandcouncil.govt.nz).</a></p> <p><b>Warning:</b> If you wish to rely on the information in a LIM and protect your interests, you need the LIM to be ordered under your name. This is because the Council only has a contractual relationship with the</p> | <input type="checkbox"/> |



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|  |  | <p>person who ordered the LIM.</p> <p>If the LIM is addressed to someone else e.g. a real estate agent or the seller (if you are the buyer), then you will not be able to use the LIM to sue the Council because the Council only owes a duty of care to the party who ordered the LIM. If a Council has omitted relevant details from the LIM and it impacts the value of your property, then you may be able to sue the Council that you ordered your LIM from and recover the value of your losses from them.</p> <p>Always check the date the LIM was issued. If the LIM is old there is a high chance there may be missing information that has not been recorded in the LIM e.g. new building work.</p> <p><b>Order a LIM:</b> <a href="#">Click here to order a LIM from your local council.</a></p> |  |
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### Final words

At the end of the day, it is up to you regarding how much due diligence you undertake. The more due diligence you do now means the fewer surprises you will have in the future. All the above options take time so it is crucial to factor time into any decisions you will make.

[Click here to return to our Step 3 - DIY Due Diligence For Free - Do It Yourself.](#)

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