

HOME truths

Quality survey vital

Auckland loan specialist Cairns Lockie has predicted that home ownership levels will rise with more people, especially first-time buyers, purchasing as interest rates fall.

But no longer confident that “property prices will always rise”, today’s buyers wisely want to know just what kind of shape the home they are buying is in — and the best way to do that is by using an industry-assessed accredited building surveyor.

“We still frequently hear about certain agents trying to pressure buyers into taking the haphazard and potentially financially catastrophic route of commissioning property reports by unregistered builders or companies,” Lockie says.

Damp, structural problems, leaking roofs or plumbing are all issues that are likely to impact on the price offered or whether the sale goes through — as long as they are uncovered.

An accredited surveyor will pick up problems that may be missed by so-called building inspection experts, Lockie says.

“We were recently involved in a situation where a real estate agent kept telling our client that the vendor was not prepared to let Realsure inspect the property.

“It turned out that in fact it was the real estate agent who didn’t want an accredited building surveyor carrying out a thorough, professional inspection.

“The agent tried to pressure the buyer to instead use one of two other companies.

“Neither of these were standard compliant — one had recently featured on *Fair Go* while the other had inspected the property a year earlier.

“Our client insisted on using Realsure and, eventually, our surveyor was able to inspect the property and found two significant problems which hadn’t been picked up in the earlier



“Be wary of those interfering in your quest for information, especially if they have a financial interest in the sale.”

Bruce Symon

Director of home inspection company Realsure

inspection by the company recommended by the real estate agent.

“The client decided the problems were going to be too expensive to address and decided to withdraw from the sale.”

Another worrying new trend is that some agents will add into a buyer’s “subject to building report clause” the requirement that the vendor must be allowed to remedy any problems uncovered by the survey.

But how do you ensure that the vendor has those repairs carried out to a high standard — and, if a very significant problem is uncovered, will you still want to buy?

“We are currently working with two buyers who discovered, after purchase, that remedial work carried out by vendors was inadequate,” Lockie says.

“The problems include leaking roofs, rotten decks and unsupported floors.

“The buyers are now having to pay for qualified builders to do the work properly.”

So, the morals of this story are:

- Make sure you understand the ramifications of the clauses in your contract before you sign.
- If you have any doubts, talk to your lawyer first.
- Insist on using an accredited building surveyor.

■ Insist they are accredited to a process that ensures they are standard compliant and competent.

A reputable real estate agent will know the importance and value of the buyer being informed — so beware an agent who is resistant to a qualified inspection survey.

Real estate agents might give a variety of reasons for not using an accredited surveyor.

They might say the vendor has a problem with that firm or that an accredited survey might cause delays and the buyer could lose the sale.

But buyers need to ask themselves: “Who is looking after my interests?”

You may pay a few dollars more for an accredited building survey but it can save you thousands down the line.

Real Estate Institute of New Zealand (REINZ) statistics for the last quarter have shown an increase in the volume of house sales, a welcome trend, as sales had fallen to their lowest levels since the early 1990s.

“One of our recent clients told us that they were substantially better off buying now than when they first attempted to buy in February — having secured a lower interest rate and being able to look in a better suburb for the same amount of money,” says Lockie.

■ www.realsure.co.nz

It’s a fine line between help and hindrance

By Gill South

We’ve all been in the position of asking a real estate agent if they know a good valuer or building inspector when we have found the house we want to buy.

In most cases it would be surprising if they pushed someone on you, as happened in the incident described in the column on this page (left), where the agent was insistent the purchaser used one of their recommended building

inspectors.

REINZ national president Mike Elford (pictured) responded by saying that there are no rules preventing real estate agents from referring buyers or sellers to

industry-related professionals like mortgage brokers or building inspectors.

“But REINZ would treat very seriously any incident where an agent has breached their legal or ethical duties imposed on them by legislation or REINZ Rules.”

He cautioned that the Institute expects real estate agents to be familiar with the specific legal obligations they have under the Secret Commissions Act 1910 when they refer vendors or purchasers to such professionals.

Building inspectors are experts in their own trade and have to work to high standards of professionalism to survive, said Elford. He added he had

personally never heard of “backhanders” or other methods of pressure being applied on building specialists to provide an incomplete or inaccurate report on a property.

Bryan Thomson, New Zealand CEO of Harcourts, commented: “Everyone in the business will have a network of professionals who they work with in the interest of their clients. Any real estate company worth their salt will

have a range of people because they do a good job for clients.”

Most agents will tend to give a range of suppliers — up to four — and leave the buyers or sellers to choose, said



Thomson.

“The last thing real estate agents want is someone who is a problem, because it comes back on us,” he added.

Barfoot & Thompson managing director, Peter Thompson, said agents shouldn’t get too associated with valuers, solicitors or builders.

“If a person is new to an area, we will try and push a local solicitor,” he said.

Some companies do offer kickbacks to real estate agents for getting them business. “We don’t allow any kickbacks to salespeople,” said Thompson.

The Barfoot rule is if you can eat or drink it, that’s acceptable — but no monetary kickbacks are allowed.

Who bought that land?

20 MATATEA RD,
WAIMAUKU

By Robyn Welsh

Two years ago, Neil and Shelley Smith brought their family to New Zealand from Britain for a better life.

Now, with this 3.41ha lifestyle block in the heart of west Auckland equestrian country, they’re well on their way to realising their dream.

Currently renting in Torbay, Neil and Shelley had been looking for a lifestyle block on which to build a new home.

When they spotted this flat land



BLANK CANVAS: Neil and Shelley Smith and daughters Bryony, 12, and Darcey, 9, are moving to horse-lovers’ paradise in Waimauku.

close to good horse-riding spots at Muriwai Beach — the privately owned Woodhill Sands equestrian centre and the Waimauku Pony Club — they knew they had found it.

“All the girls will be riding and I’ll probably be following behind on my mountain bike,” says Neil of his wife Shelley and their daughters Bryony, 12, and Darcey, 9.

Next year they’re planning to build a single-storey family home on their land that is a subdivided portion of a larger property which featured in Herald homes on August 23.



“We’ll be planning it carefully to make sure the house faces the right way, but we don’t want anything ostentatious,” says Neil.

There’s ample space for a second dwelling that would be ideal for extended family who are keen to come out for a visit.

“We always dreamt of building our own house. It would be extremely tough to get a property like this in the UK. We moved here to bring our children up and to have an opportunity for a better life and this property is just perfect for us.”

■ **Sold by Andrea Turzynski, Harcourts, ph 027 662 4501.**