



[🏠 \(https://www.settled.govt.nz/\)](https://www.settled.govt.nz/) > [Buying a home \(/buying-a-home/\)](/buying-a-home/) >  
[Making an offer \(/buying-a-home/making-an-offer/\)](/buying-a-home/making-an-offer/) >  
[Buying by negotiation \(/buying-a-home/making-an-offer/buying-by-negotiation/\)](/buying-a-home/making-an-offer/buying-by-negotiation/) >

## Buying by negotiation

In this sale method, there is no end date for offers, and potential purchasers make offers based on what they think the property is worth in the current market.

### ***Summary of important things to know***

- ✓ A seller may choose to sell by negotiation when it's difficult to estimate the market price of a property.
- ✓ If a property is being sold by negotiation, the seller sets an asking price or price range and buyers can choose to offer more or less than that price and negotiate the sale. There is no end date for offers.
- ✓ Buyers can attach conditions to their offer, for example, an expiry date for the offer, making the offer subject to a property inspection report, a valuation or approved finance, or on condition of selling another property.
- ✓ Sellers can attach terms and conditions to the sale, for example, the settlement date and which chattels will be included.
- ✓ If a buyer can't meet the conditions or needs more time, they need to talk to their lawyer or conveyancer and the real estate agent as soon as possible.
- ✓ If there is more than one offer, the sale may become a multi-offer process.

### For sale by negotiation

A seller may choose to list their property for sale by negotiation when it's difficult to estimate the market price of their property.

In this sale method, there is no end date for offers, and potential buyers make offers based on what they think the property is worth in the current market.

## Identifying properties for sale by negotiation

A sale by negotiation is likely to be advertised as 'by negotiation'. However, there are other ways of advertising a property by negotiation.

A property may be advertised for sale by advertised price using the terms 'asking price', 'buyer enquiry over (BEO)', 'buyer budget over (BBO)' or 'price on application (POA)'.

Buyer enquiry over (BEO) or buyer budget over (BBO) provides a price guide.

The asking price or negotiation range should reflect an amount the seller would seriously consider accepting.

## Researching the property

Before you make an offer, learn as much as you can about the property and ask your lawyer or conveyancer to help you understand any reports about the property you get. Checks you can make include:

- the value of the property
- a title search
- any information the council has on the property
- a thorough investigation of the house, land, and neighbourhood thoroughly
- getting a property inspection report.

Learn more about researching the property [here \(/buying-a-home/researching-the-property/\)](/buying-a-home/researching-the-property/).

## Confirming your finances

Make sure your finances are in order before you make an offer or make finance approval a condition of your offer. Your lender may want to know specific details about the property before you make an offer, even if you have pre-approved lending.

You will need to pay a deposit when the agreement is signed or soon after. The deposit is usually around 10% of the purchase price, but this can be negotiated.

Learn more about your finances when buying [here \(/buying-a-home/thinking-of-buying/thinking-about-your-finances-when-buying/\)](/buying-a-home/thinking-of-buying/thinking-about-your-finances-when-buying/).

## Making an offer

Talk to your lawyer or the agent selling the property. Your lawyer or the agent can prepare a sale and purchase agreement for you to sign.

See a lawyer early to help you through the offer process.

Read more about the sale and purchase agreement [here.](https://www.settled.govt.nz/buying-a-home/making-an-offer/understanding-the-sale-and-purchase-agreement-when-buying/) (<https://www.settled.govt.nz/buying-a-home/making-an-offer/understanding-the-sale-and-purchase-agreement-when-buying/>)

### ***Deciding what kind of offer to make***

You can choose to make an unconditional or a conditional offer on the property:

- An unconditional offer means you do not require any conditions to be met before buying the property. This is sometimes known as a cash offer.
- A conditional offer means you have conditions that you want met before you agree to buy the property.

If you make a conditional offer, the real estate agent may negotiate on behalf of the seller or facilitate a negotiation between you and the seller. Conditions could include making your offer subject to a favourable building inspection or a valuation, confirming your financial arrangements, or selling your own property.

The seller can also attach conditions to the sale, for example, changing the settlement date, or specifying the details of the chattels that come with the house.

### ***Checking the sale and purchase agreement***

If the agent prepares the sale and purchase agreement, you should get your lawyer to review it before you sign it.

## The negotiation process

### ***What happens once you've made an offer***

Once you have decided what kind of offer to make and you're happy with the sale and purchase agreement, you should notify the agent who will present it to the seller. The seller will consider your offer and decide what to do:

- Accept your offer and sign the sale and purchase agreement.
- Reject your offer. In this case, you may decide you want to put in another offer. The seller doesn't have to tell you why your first offer wasn't accepted.
- Negotiate your offer. The seller may decide to make changes to the sale and purchase agreement, which the agent will point out to you. You will need to review the agreement and only sign it if you are happy with them. You may go back and forth with the seller a few times before you agree on terms you are both happy with. Negotiating with the seller doesn't mean your offer is guaranteed to be accepted – the seller may choose to negotiate with other buyers if you don't agree on the terms of the agreement.

You can withdraw your offer before the agreement has been signed by both you and the seller.

### *When might it become a multi-offer situation?*

When your offer is presented to the seller, the agent will usually ask any other interested parties if they want to put in an offer too. If there is more than one offer in writing, it becomes a multi-offer situation.

Be aware that, if your first offer was rejected and you decide to make another offer, you could end up in a multi-offer situation if another buyer makes a written offer in the meantime. The agent can still hold open homes and continue to market the property while you are in negotiations with the seller.

Learn more about the multi-offer process [here \(/buying-a-home/making-an-offer/understanding-a-multi-offer-process/\)](https://www.settled.govt.nz/buying-a-home/making-an-offer/understanding-a-multi-offer-process/).

## Completing the sale process

When negotiations are completed, and your offer is accepted by the seller, they will sign the sale and purchase agreement.

You are likely to be required to pay the purchase deposit at this stage or when the agreement becomes unconditional, depending on what you and the seller have agreed.

## Working through conditions

If you have added conditions to the offer, for example, arranging finance or getting the property checked by an expert, you will have to complete these actions before the date agreed to in the sale and purchase agreement. It's a good idea to get things moving quickly because the seller may be entitled to cancel the agreement, or it may be considered that you haven't satisfied the conditions if you don't meet them by the due date.

If you need to have finance approved, your bank or lender will ask for a copy of the sale and purchase agreement. They may also require a valuation, which you will need to organise and pay for.

When all the conditions have been met, the sale becomes unconditional.

If you need more time to complete any conditions, you must speak to your lawyer or conveyancer who will negotiate with the seller through their agent, lawyer or conveyancer. Any changes will need to be added to the sale and purchase agreement and signed off by you and the seller.

## What if something goes wrong after my offer is accepted?

If there is a problem meeting the conditions of the sale, such as your finance arrangements falling through or you are unhappy with the results of a property inspection report, and you want to withdraw from the sale, you must let your lawyer or conveyancer know as soon as possible. They will contact the seller's agent, lawyer or conveyancer. Remember, this can only occur if you have stipulated these conditions in the sale and purchase agreement.

If all the conditions have been met and the agreement is unconditional but you fail to complete the sale, you may lose your deposit, be taken to court or be penalised by the seller. You can consider adding a condition to the sale and purchase agreement that you will pay the deposit when the sale is unconditional.

## Pay the agreed amount by the settlement date

You must pay the remaining amount agreed for the property on the settlement date. You usually pay the remaining amount through your lawyer or conveyancer, and on settlement day, you will get the keys to the property.

Read more about settling and moving in [here \(/buying-a-home/settling-and-moving-in/planning-for-settlement-day-when-buying/\)](/buying-a-home/settling-and-moving-in/planning-for-settlement-day-when-buying/) .

## What to do if you have a problem

If you have a problem with a real estate agent that you can't resolve directly with them, find out how the Real Estate Authority (REA) can help you on the [REA website \(https://www.rea.govt.nz/make-a-complaint/\)](https://www.rea.govt.nz/make-a-complaint/) .

There are other steps you can take and organisations that can help you when you need it. Find out more about getting help if things go wrong [here \(/buying-a-home/settling-and-moving-in/getting-help-if-things-go-wrong-when-buying/\)](/buying-a-home/settling-and-moving-in/getting-help-if-things-go-wrong-when-buying/) .

This site is protected by reCAPTCHA and the Google [Privacy Policy \(https://policies.google.com/privacy\)](https://policies.google.com/privacy) and [Terms of Service \(https://policies.google.com/terms\)](https://policies.google.com/terms) apply.