

18 September 2009

Dear Client

New REINZ Agreement for Buying and Selling Property

You may be aware that the Real Estate Institute of New Zealand is proposing to publish a new agreement for buying and selling property in New Zealand.

The agreement will be made available to all real estate for use over the forthcoming months.

For over twenty years, the buying or selling of property in New Zealand has been conducted using a form of agreement produced jointly by Auckland District Law Society and the Real Estate Institute of New Zealand. The agreement is now in its 8th edition having been improved over the intervening years to reflect changes in the way in which property is bought and sold and to take account of changes in the law.

The ADLS/REINZ 8th edition Agreement is tried and tested. It has been the subject of many court cases in which its provisions have been scrutinised and upheld. It has been taught in our law schools and been the subject of much academic commentary.

In summary, the ADLS/REINZ 8th edition Agreement has a proven track record, its provisions are easily understood and it helpfully regulates the way in which practitioners deal with each other and third parties through the course of a sale or purchase of land. It is a “no surprises” agreement.

On the other hand the new REINZ agreement introduces new concepts, rules of interpretation and time frames which may be unexpected, particularly if you have previously bought and sold property using the ADLS/REINZ 8th edition Agreement.

If you are planning to either buy or sell property in the near future, you should obtain legal advice **prior to signing any agreement**. In most situations, we recommend the continued use of the ADLS/REINZ 8th edition Agreement until such time as the provisions of the new REINZ agreement become well known, judicially interpreted and procedures settled. This may take a considerable period of time.

We recommend you do not allow yourself to be persuaded to use the REINZ form of agreement by the “plain English” argument. Plain English wording can be just as problematic as complex legal wording, particularly where the new REINZ agreement has not had the benefit of many years of use and judicial interpretation. Be aware that all agents have access to both forms of agreement so using the ADLS/REINZ 8th edition agreement should not present any difficulty or delay in the buying and selling process.

Please contact us if you have any further queries about this letter or you require any further detailed information.

Yours faithfully
GELLERT IVANSON LIMITED

Pearl Butler
Director
Email: pearl.butler@gellertivanson.co.nz

Tony Ivanson
Director
Email: tony.ivanson@gellertivanson.co.nz

Daniel Smith
Director
Email: daniel.smith@gellertivanson.co.nz