Progress - Negotiating Building Report Issues

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Negotiating Building Report Issues - 1 Page Playbook

Choose your path

1) Price Reduction · 2) Seller Fixes Pre-Settlement · 3) DIY & Budget

Price Reduction (you do the work later)

When to use
You prefer control of repairs; issues are manageable after settlement; you can still fund works if the bank trims lending.

STEPS

- Build an evidence pack: 2–3 itemised quotes (scope, labour, materials, GST).
- Make a precise ask based on quotes (avoid round numbers).
- Expect a counter: accept, split, or hold firm based on comps and scope.
- Loop in broker and bank; request short finance extension; update insurer.
- Paperwork: write a variation to purchase price. Keep other conditions moving.

NEGOTIATION LINES

- "Per attached contractor quote, we seek a reduction of $31,710.10. We can confirm finance within 2 working days on agreement."
- "Proceed at $X with all other conditions satisfied today, subject to lender sign-off by [date]."

RISKS

- Verbal estimates; round-number asks.
- No plan to cover reduced lending if the bank trims the loan.

CHECKLIST

- ◯ 2–3 itemised quotes attached
- ◯ Lender and insurer looped in
- ◯ Signed variation to price
- ◯ Finance extension if needed
- ◯ Cash or credit ready for works

Seller Fixes Before Settlement (make it a settlement requirement)

When to use
The issue jeopardises finance or insurance, or needs specialist work you do not want to inherit.

STEPS

- Define the works: precise scope, materials, method.
- Specify who: licensed or qualified contractor, or minimum qualifications.
- Set the standard: NZ Building Code or manufacturer specifications.
- Name verification: independent sign-off by the original inspector or agreed third party.
- Schedule deadlines: start, completion, inspection, sign-off.
- Link to settlement trigger: settlement only after satisfactory sign-off.
- Add a sunset date; consider retention or escrow, or a walk-away right.

NEGOTIATION LINES

- "Instead of a price reduction, please re-level the kitchen floor to Code minimum by [date], with [inspector] issuing final sign-off. Settlement occurs 2 working days after sign-off, sunset [date]."

RISKS

- Vague "seller will fix" with no standard or sign-off.
- No timeline, risk of drift into settlement date.

CHECKLIST

- ◯ Draft clause circulated
- ◯ Contractor and qualification confirmed
- ◯ Sign-off person agreed
- ◯ Deadlines and sunset set
- ◯ Retention or escrow decision

DIY & Budget (seller will not budge)

When to use
You still want the property; issues are fixable later; you have cashflow and realistic quotes.

STEPS

- Scope the works; secure at least 2 quotes and add 20–30% contingency.
- Plan funding: savings or revolving credit confirmed with broker.
- Line up timeline, access, consents, and insurance notifications.
- Re-check price versus value: account for repair cost before proceeding.

WARNINGS

- DIY commonly costs more and takes longer. Phase works if needed.
- Keep a cash buffer to avoid post-settlement stress.

CHECKLIST

- ◯ 2+ quotes and 20–30% contingency
- ◯ Funding plan confirmed
- ◯ Insurer aware of planned works
- ◯ Post-settlement works timeline

GET A COSTS FREE ESTIMATE

FixFigure

Need clause wording? Contact HouseMe Legal before you commit.

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