

Buying a house? Then go to your NVM broker!

Looking for your dream house? Buy privately or use a broker?

Looking for a new home is real detective work. Which property would suit you best? An apartment or a detached house? A south-facing garden or a roof terrace? How many rooms do you need? In which area? What are your financial opportunities?

Buying a house is not something you do every day. That's why it's nice if someone can give you good advice about the current housing market, building aspects, resolutive conditions, local regulations and how to submit a competitive but realistic negotiating offer. Your NVM broker can help you with this.

NVM means quality

NVM stands for the Dutch Association of Real Estate Brokers and Real Estate Experts NVM. The NVM is the largest association of real estate brokers in the Netherlands, with more than 110 years of experience. When you buy a house you want to be certain that everything is being done properly.

If you go for an NVM broker, you're going for expertise and quality. As it happens, it isn't easy to become an NVM broker:

- Every NVM broker has completed an all-round training as a broker. Every year, NVM brokers have to take compulsory training courses to keep their knowledge up-to-date.
- NVM brokers are experts in the local market and current property prices and familiar with all aspects of purchasing and selling as well as the finer legal points.
- NVM brokers have access to an extensive network and to the NVM's database, so they are the first to know about new properties on the market.
- NVM brokers know about buildings, can assess the value of your home and advise you on resolutive conditions.
- NVM brokers adhere to the NVM Code of Practice. The NVM Code of Practice comprises rules of conduct which every NVM broker must observe.

Purchase or sales broker?

If you use the services of your own broker to buy your new home then this is a purchase broker.

If you have your home sold by a broker then this is a sales broker.

Of course an NVM broker can act as a purchase broker on one occasion and a sales broker at another, but he can never act as both the purchase and sales broker for the same property. The NVM Code of Practice does not allow this in order to prevent conflicts of interest. NVM brokers always look after the interests of their client.

Candidate and assistant broker

In addition to registered NVM brokers, the NVM also has two other levels of brokers:

- A Candidate broker is a commercial field staff worker with a SVMNIVO broker-valuer diploma. A Candidate broker performs all staff field activities required within a broker's office, except for valuations, and is registered in the K-RMT register.
- An Assistant broker is a commercial staff member who is also able to carry out viewings when selling houses and carries out negotiations for that purpose in addition to the usual office activities. The legal formalities are always performed under the final responsibility of a Registered Broker, Valuer or a Candidate Broker.

What can your NVM broker do for you?

If you want to look for a new home, then you can have a chat with your NVM broker without obligation. You can have the entire purchase process arranged from start to finish or opt for certain part-services. The package of activities you agree on determines the scale of the payment – the commission – which the NVM broker will receive after you have bought your new property.

The purchase process

Once you have decided which services your NVM purchasing broker is going to provide, you can start the buying process.

Step 1. Find a suitable property

Step 2. Attend viewings

Step 3. Carry out further investigations

Step 4. Negotiate

Step 5. Sign the sale agreement

Step 6. Finance your property

Step 7. Go to the notary

Complete the Home Wish Form

By completing the 'Home Wish Form' you and your NVM broker will know exactly the conditions your new home has to fulfil.

You can find this form on www.nvm.nl. You can also find the 'Purchase viewing report' and the 'House move planner' here.

Step 1: Find a suitable property

Your NVM purchasing broker will help you find a property that suits you. He will advise you to have a look in the villages or towns and districts and neighbourhoods that interest you. This will help you gain an insight into the facilities you can find in your new living environment and which of these you think are important. Check www.funda.nl regularly for new properties, so that you become better and better informed about what you want to buy.

Your NVM broker will compare your home wishes with the properties in the NVM database. With his experience he can make a good selection from the current offering to arrive at the right match. Your NVM broker knows the local housing market and will soon see properties that have just come on the market. Your broker can save you a lot of detective work.

TIP: list your financial possibilities

Before you go hunting for property, go and see a registered mortgage adviser so you know what you want to/can borrow. Your NVM broker can help you find an independent adviser.

Buyer's duty to make enquiries

You as the buyer are expected to investigate the condition of the property. You have to pay for defects that you could have found during the viewing, which cannot be termed hidden defects later on. The duty to make enquiries also applies to legal aspects. This includes easements such as rights of way.

Seller's duty to inform

The seller is obliged to inform you about matters that could be important for you, such as defects, for example a leak.

This does not apply to defects you can see yourself, for example rotten window frames or cracks in the walls. The seller is not obliged to point these out expressly.

Step 2: Viewings

If you have spotted a property then you should take a closer look. Your NVM broker will arrange a viewing appointment and accompany you. Have a look around the area before your viewing. Keep your home wishes and future plans in mind during the viewing.

The NVM broker will in the meanwhile take a critical look at the property. Among other things the NVM broker will in this regard look at the maintenance needs of the property, the presence of any defects and any necessary repairs or conversions that need to be made. He can also advise you to engage a construction expert to take a closer look.

He will also enquire about practical matters, such as the number of other viewings and the negotiation procedure that is being used.

Fill in the 'Purchasing Viewing Form' during or after the viewing, so you know afterwards what you have seen. This is particularly useful when there are several viewings.

Step 3: Additional enquiries

If you take a strong liking to a certain property, then request advice from the NVM purchase broker whether it is necessary to engage a construction expert. This is a way to compile a record of the precise condition of the property.

Your NVM broker can direct you to an independent expert for this. Your NVM broker will also take work off your hands by investigating for example:

- Local development plans
- Environmental aspects
- Relevant details in the Land Register

- Status and obligations of the Owners' Association
- Municipal and provincial regulations
- Presence of energy label

Step 4: Negotiating

If you want to buy a certain property your NVM purchaser broker will inform you about the best offer strategy on the basis of all the information you have collected. He will assist you with calculating a strategic opening offer. As a valuer he has a lot of experience in determining the correct value and he can see what the market value of comparable properties is in the NVM database.

When making an offer, your NVM purchaser broker can attach resolute conditions to this – if you wish. It is still possible to cancel a sale agreement on the basis of these conditions.

Useful to know:

- An offer that has been made can be withdrawn or replaced by a higher or lower offer, as long as the other party has not accepted it. An exception is an offer with a time limit for acceptance.
- If you are the first to make an offer, this does not automatically mean that another buyer cannot make another offer.

Examples of resolute conditions are:

- Finance condition
- No housing permit
- Negative building survey
- NVM No-Risk clause

Step 5: Signing the sale agreement

Once the seller has accepted your offer, then the sale agreement can be drawn up. You will go through this together with your NVM purchasing broker to ascertain that everything is in order. Your NVM broker will pay particular attention to the purchase price, the completion date, the resolute conditions and the list of items that will remain in the house.

If everything is in order then you and the seller will sign the sale agreement. You and the seller will receive a copy of the agreement.

The purchase only becomes official when both parties have signed the sale agreement. The broker will send the signed sale agreement to the notary accompanied by a copy of your passport or your driving licence.

Three-day cooling-off period

The legal three-day cooling-off period for the buyer commences once you and the seller have signed the sale agreement. This means that you can still cancel the purchase within this time.

Step 6: Financing your home

Once the sale agreement has been signed, you have to finalise your financing.

This is usually in the form of a mortgage. Your mortgage adviser can calculate precisely the amount of the mortgage you require based on the purchase price, any conversion plans, your own funds and the buyer's costs (the costs of the registration in the Land Register, the transfer taxes and your notary costs for the transfer). Your NVM broker can direct you to an independent mortgage adviser.

Once the financing is complete, the bank will send the mortgage documents to the notary. The bank will ensure that the amount of the mortgage is paid onto the notary's escrow account before the transfer date.

Valuations

A valuation of the property is usually required to finance the purchase. You always require a valuation report from a registered valuer for this. Your purchaser broker is a registered valuer but is not allowed to draw up a valuation report for you because he is involved in the negotiating process. However, he can help you find another registered valuer.

Step 7: Go to the notary

If a date has been fixed to transfer the property, then you will need to wait until the notary has drawn up the transfer of title (deed of transfer) and the mortgage deed. You will usually receive a draft of the deed of transfer, a draft mortgage deed and a final statement from the notary a couple of days before the transfer.

Always check with your NVM purchaser broker whether all the details are correct and take time to read the deeds carefully. You will go through the following process on the day of the transfer:

- Immediately before the transfer you will inspect the property together with your NVM purchasing broker to check that it is being handed over in the agreed condition.
- After that you go to the notary and sign the deed of transfer and the mortgage deed.
- Subsequently the notary will ensure that the deeds are registered in the public registers at the Land Registry. After these registrations you will be the official owner of your new home. You will usually receive the keys immediately after the transfer.

Congratulations!

The purchase process is complete. Congratulations! You are the owner of your new home! Of course your NVM broker will be there for you if you still have questions or if you need other services.

Use other services offered by NVM brokers

Most NVM brokers offer more services than you might think. In addition to the standard services for the purchase of a home, your NVM broker can also help you with things such as:

- Assistance with selling.
- Valuation of your (new) home.
- Taking out a mortgage (if certified).

Want to know more?

Go to www.nvm.nl or visit your nearest NVM broker. He will be pleased to help.

What you need to know about NVM brokers

1. National network of approximately 4000 NVM brokers

You can get a large and clearly laid-out selection of homes via the national network.

2. NVM No-Risk clause

When you buy a house, you can include the NVM No-Risk clause in the sale agreement in consultation with the seller. This means that you can cancel the purchase if the sale of your current home takes longer than expected. The seller's home will continue to be for sale during this period.

3. Know what's happening

NVM brokers have access to the NVM's digital knowledge centre with valuable information about property prices, the area where you live and the history of the property you want to buy.

4. On-going training

NVM brokers keep up their knowledge of the market and the law and regulations via compulsory annual training courses.

5. NVM Code of Practice

All NVM brokers are required to adhere to the NVM Code of Practice. This relates to the knowledge, objectivity and trustworthiness of every NVM broker.

6. NVM Home Guarantee against hidden defects

The NVM Home Guarantee insures you for 12 months against hidden defects in your new home, after a building survey.

7. Certainty thanks to professional liability

NVM brokers are insured against losses due to professional errors.

8. Questions or complaints?

If you have questions about the NVM, a NVM broker or about real estate agencies in general, then you can ask the Consumer Information department of the NVM.

Telephone 030 – 60 85 189 (between 9.00 and 11.30 am) or e-mail cv@nvm.nl.

Do you have a complaint? You can also approach this department for information on the complaints procedure.

Most frequently asked questions about buying and selling property

Buying or selling a house is not something you do every day. It is therefore not surprising that you have all sorts of questions. An NVM broker will be able to answer your questions. The NVM has already made a list of the most frequently asked questions.

1. When am I in negotiations?

You are only in negotiations with the selling party if he or she responds to your offer by:

- a) Making a counter-offer.
- b) Explicitly stating that you are negotiating.

You are therefore not yet negotiating if the seller's broker says that he will discuss your offer with the seller.

2. Is a seller's broker allowed to conduct viewings if there are already negotiations about a bid?

Yes, this is permitted. Negotiations do not have to result in a sale.

The seller will probably also want to know if there is more interest in the property. He is also allowed to negotiate with several potential buyers. An NVM broker has to make this clear to all the parties.

The seller's NVM broker will often inform interested parties that there is already an offer or that there are negotiations taking place. You can make an offer in that case as a potential buyer, but the broker will only commence negotiations with the other parties once the negotiations with the first candidate have ended. The NVM broker cannot say anything about the size of the offers.

This might otherwise result in an auction.

3. If I offer the asking price, is the seller obliged to sell me the property?

No, the seller is not obliged to sell you the property. The Supreme Court has determined that the asking price must be viewed as an invitation to make an offer. Even if you offer the asking price, the seller can therefore decide that he will or will not accept your bid, or make a counter-offer (through his broker).

4. Is the seller allowed to change the asking price of a property during the negotiations?

Yes, the seller can decide to increase or reduce the asking price. As a potential buyer you also have the right to reduce your offer during the negotiations. This means that your previous offer will be void as soon as the selling party makes a counter-offer.

5. How is the purchase completed?

If the seller and the buyer agree on the most important points – including the price, transfer date, resolutive conditions and any arrangements about movable contents – then the seller's NVM broker will set these arrangements down in a sale agreement. The purchase is only completed when both parties have signed the sale agreement. Resolutive conditions are an important matter. If you want these to be included in the

sale agreement, then this has to be taken into account during the negotiations. As a buyer you are not automatically granted a resolutive condition.

The seller and the buyer must agree on the additional arrangements and resolutive conditions before the sale agreement is drawn up.

Examples of resolutive conditions are:

1. Financing condition.
2. No housing permit.
3. Adverse building survey.
4. Failure to obtain a National Mortgage Guarantee.
5. NVM No-Risk clause.

The purchase is only completed when both parties have signed the sale agreement. This is termed the requirement for a written agreement.

As soon as the seller and the buyer have signed the sale agreement and the buyer (and possibly the notary) have received a copy of the agreement, the legal cooling-off period will commence for the private buyer (see question 11). You as the buyer can still cancel the purchase within this time. The purchase is final after this time, unless the resolutive conditions apply.

6. Is an NVM broker allowed to change the sales method during the negotiations?

Yes, this is allowed. Sometimes there are so many potential buyers who offer or approach the asking price that it is difficult to decide who the best buyer is. At that time the seller – on his broker's advice – can decide to amend the offer procedure by making this a tender procedure, for example. In this procedure all bidders have an equal chance of submitting a bid. The broker must of course comply with any previous promises or agreements before the procedure is modified.

7. Is an NVM broker allowed to ask an exorbitant and unrealistically high price for a property?

The seller will decide the price he wants to ask for his property in consultation with his NVM broker. The buyer can negotiate on the price, but the seller decides.

8. What is an option?

The term 'option' is used in two ways:

- a) In a legal sense an option grants a party (in this case the buyer) the choice to conclude a sale agreement with another party (the seller) by means of a unilateral declaration. Both parties agree on the purchase conditions, but the buyer will for example be given another week's cooling-off period. Such an option is usual when buying a newly built property, but not in the case of an existing property.
- b) It is in fact incorrect to use the term 'option' when purchasing an existing property. 'Option' in that case means certain agreements which a seller's NVM broker makes with an interested party during the negotiating process.

An example of this is a promise that the buyer will be granted a couple of days to change his mind when he makes an offer. The buyer can use this time to gain a better view of his finances or potentially how to use the property. The NVM broker will

inform other interested parties during this period that there is an option on the property. You cannot demand an option. The seller will decide in consultation with the NVM broker whether such options are to be granted.

9. Does the broker have to negotiate with me first if I am the first person who arranges a viewing? Or if I am the first to make an offer?

No, this is not required. The seller will decide with the seller's broker who he will negotiate with. If you are the buyer, ask the seller's broker in advance about the selling procedure that is being used to avoid disappointment.

10. Does the broker's commission come under the 'buyer's costs'?

No, the commission is not included. The following come under the 'buyer's costs':

a) The transfer tax:

b) Notary fees, including for drawing up the deed of transfer and registering this with the Land Registry.

In addition to the above costs there may be notary costs for drawing up and registering the mortgage deed. If the buyer has engaged a purchase broker then the commission for this purchase broker is for the buyer's expense. This is usually charged in the final statement drawn up by the notary. The seller's broker's costs are borne by the seller.

11. What does the three-day cooling-off period mean exactly?

The legal three-day cooling-off period means that you can cancel the purchase without giving any reasons. The three-day cooling-off period starts as soon as a copy of the signed sale agreement has been handed over to the buyer.

The cooling-off period can last more than three days, if it ends on a Saturday, Sunday or legally recognised public holiday. There are rules for this. Your NVM broker can tell you how long the cooling-off period will last.

12. What is the NVM No-Risk clause?

Many people do not dare to buy a property before their own property is sold and therefore do not move to another property in advance as a result. If you use the NVM No-Risk clause to buy property though, you often can make this move.

The NVM No-Risk clause is a resolutive condition. This condition prevents the buyer having to pay double charges. The buyer can cancel the purchase if the sale of his current home takes longer than expected. The buyer must of course first agree to this resolutive condition in the sale agreement. The buyer must do everything possible to sell his property during the period of the NVM No-Risk clause. The seller will proceed with the sale of the property that has already been sold during this period. If the seller finds another buyer who wants to buy the property under more favourable conditions, without the No-Risk clause, then the first buyer will be given time to decide whether to finalise the purchase or to renounce the sale agreement. In the latter case the seller will then sell the property to the second buyer.

13. Can I expect to receive advice from the seller's broker if I am the buyer?

The seller's broker looks after the interests of the seller. He will advise the seller during the selling process. The seller's broker cannot therefore represent your

interests at the same time. Therefore if you want guidance and advice during the purchasing process, then it is wise to engage a purchasing NVM broker.

14. What are the rates for services offered by NVM brokers?

The NVM does not issue any guidelines for rates. Every NVM broker can decide his own rates and commissions. The price you pay at the end of the day depends on the composition of the package of services that you buy. Therefore make an appointment with an NVM broker near you for a no-obligation discussion on the services you require. The broker can then calculate his commission. In addition to the commission, the NVM broker can charge on the costs of, for example, advertisements or a land register search. The broker will make arrangements with you about how these costs are incurred.

15. How do you calculate the number of square metres for a property?

NVM brokers are obliged to measure the number of square metres in a property according to agreed industry-wide measurement rules. These rules describe exactly what is or what is not included in the measurement as a usable area of a house or apartment. A distinction between four areas is made here:

- a) Living space, such as living rooms and bedrooms, toilets, hallway and meter cabinet.
- b) Other rooms in the house, such as an attached garage and attic with a loft ladder.
- c) External areas attached to the building, such as a balcony and terrace.
- d) External storage space, such as a detached barn or detached garage.

An important point when determining the usable surface area is for example that only areas with a minimum height of 1.5 metres are measured. External walls are not included, but internal walls are. Alcoves less than 0.5 m² are ignored. You will find more information on www.nvm.nl about how usable surface areas are measured.

16. Does my property need an 'energy label'?

An energy label for a property states how energy efficient a property is by means of classes (A++ to G) and colours (dark green to red), compared to similar properties. The energy label is a report with several pages, drawn up by a certified energy label adviser. Energy labels have been compulsory since 2008 when buying property, with a few exceptions. Your NVM broker can tell you more about this.

An energy label can work to your advantage. The more energy-efficient your house is, the more it is worth. Your NVM broker can direct you to a certified energy label adviser.

Want to know more?

This is only a selection of the things you have to deal with when buying and selling a house. Want to know more? Then go to www.nvm.nl or visit your nearest NVM broker. He will be pleased to help.