

# Buying a Property

## BEFORE YOU START

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Before you begin property shopping, you should contact your broker or bank to ensure you are in a position to obtain approval for the loan you require to complete your purchase. Be sure to read everything thoroughly, from the pre-contractual statement which outlines the fees and charges through to the loan contract itself. Remember you are entitled to legal advice and are under no obligation to sign anything on the spot. Always feel free to contact our office for assistance in this regard.

## PRE-PURCHASE INSPECTIONS

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When you purchase property, you buy it 'as is'. It is your responsibility as purchaser to be satisfied with its condition. Inspections should always be carried out prior to unconditional exchange.

**Purchasing a house:** Once you have found a property you like, you will need to arrange a pre-purchase building inspection report and perhaps a pest inspection report. These are written reports about the condition of the property and help you find out any potentially costly problems. You may be able to use this information to negotiate a reduction in the purchase price. Our office can assist you in locating reputable building and pest inspectors.

**Purchasing a strata property (unit, villa or townhouse):** Once you have found a property you like, you need to obtain a strata inspection report to ascertain the financial position of the owners corporation including balances of sinking and administration fund accounts, building issues, proposed special levies, insurances etc.

## MAKING AN OFFER

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Negotiations with the agent can begin even prior to obtaining your inspections. However, the property is not yours until the contract is signed by both parties.

## SIGNING THE CONTRACT

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Prior to signing the contract, always ask the agent to email you a copy of the Contract so that we can provide you a free contract review. The contract may reveal an issue which ideally you should be aware of before you sign anything and risk your holding deposit.

If your offer is accepted, the agent may ask you to sign the contract immediately with a 0.25% deposit and a five business day cooling off period. Once signed and dated, the contract is exchanged and you have five business days to carry out your investigations as follows:

1. Building and Pest Inspection / Strata Inspection Report
2. Obtain unconditional loan approval

If you are happy to proceed, you pay the balance of the 10% deposit (unless negotiated down to 5%) prior to the end of the cooling off period after which the purchase will become unconditional. If you are not proceeding, we will make the necessary arrangements prior to the end of the cooling off period for you to be released from the contract. In these circumstances, you lose your 0.25% deposit to the vendor.

Note: It is common practice for vendors to request a waiver of the “cooling off” period so that exchange is unconditional. A certificate waiving the “cooling off” period can only be provided by a lawyer or conveyancer.

**Auction:** If you buy at auction, you buy unconditionally – you cannot withdraw. This means all investigations into the property must be done prior to Auction

## SETTLEMENT

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After the contract has become binding, we as your solicitor, take care of the following:

- Arranging payment of stamp duty
- Liaising with the lender in regard to the mortgage
- Checking with various government authorities to see if they have a vested interest in the property
- Checking to see if there are any outstanding debts to local council
- Calculating adjustments for council, water, strata or community scheme rates
- Making final checks on the title

On settlement day we will attend a meeting on your behalf that will include the seller’s lawyer/ conveyancer as well as any lenders involved and the funds will be handed over in exchange for the title and a direction to the agent to provide all keys and other locking devices.