

Buying Property

information brochure



Buying a property is a big deal, not to mention a big expense. If you're thinking about buying your first property, it pays to know your rights as a buyer and how the buying process works. If it's been a while since you've been in the market this might be just the refresher you need. The process of buying a property will differ depending on whether the property is sold by Private Sale or at Auction.

In this information brochure, we will give you a brief overview of some of the issues that you should consider when considering purchasing a residential property. If you need to know more about how the law applies to your particular situation, please don't hesitate to contact us.

Contract of Sale:- When you purchase a property, you will be asked to sign a Contract of Sale. The vendor's solicitor usually prepares the Contract of Sale. This document, once signed by all parties and assuming that it complies with all relevant requirements, is a final and binding Contract.

Cooling Off Period:- Ideally, before you commence to negotiate or bid at Auction, you should check the matters raised in this Information Sheet. However, if you have already signed a Contract for the purchase of a property without checking the matters raised in this Information Sheet, it *may* be possible to use the "3 day cooling off" period to withdraw from the Contract, but its application has limitations and a cost consideration.

If you wish to discuss the implications of the cooling off period on your purchase you must telephone us immediately as time is short.

Goods:- Goods are moveable items such as carpets, light fittings, internal and external blinds, curtains, dishwashers, swimming pool equipment, TV antennas, portable air conditioning units, portable clothes lines and remote control devices. The list is endless.

You should carefully check that all Goods are correctly listed in the Contract. If the property you are looking at buying is being sold at Auction, then you should seek clarification from the selling agent prior to the Auction to ensure that you know which Goods are being sold with the property. If you are negotiating to purchase the property by way of Private Sale (i.e. other than by an Auction) then the issue as to which Goods are being included in the sale should form part of your negotiations. Either way, you should carefully check that all Goods are listed in the Contract before you sign.

Zoning Issues:- All property will be covered by a Planning Scheme, which will place the property within a zone and impose restrictions on its use and development. It is not uncommon for the current use and development of the property to be inconsistent with the current zoning, i.e. a non-conforming use due to new changes to planning schemes. If the use of the property is non-conforming, it may not be possible to obtain planning permission to rebuild or extend. You should consult us as early as possible to discuss the ramifications of the zoning, as changes are usually complex and costly.

Stamp Duty:- When budgeting for your purchase you should take into account government charges (stamp duty and Titles Office fees on the transfer and on your mortgage, if any).

Stamp Duty exemptions or reductions *may* apply in the following circumstances: Concession card holders, First Homeowners, or those who intend to use the property as their Principal Place of Residence. Savings vary from a total exemption from Stamp Duty, to a saving of up to \$3,100 on Stamp Duty, to a government grant of up to \$32,000.

If you believe you may be eligible, you should consult us as early as possible to discuss the eligibility requirements.





Condition of the Property:- When you purchase a property you buy it as you find it (unless there is a special condition to the contrary in the Contract). You should carry out a detailed inspection of the property to check the structure and condition of the property and to make sure appliances and fittings are in good working order. You may wish to engage your own builder or architect to inspect the property.

If the Vendor or the selling agent has agreed or promised to make any changes to the property, then you should consult us about the drafting of an appropriate special condition to be inserted into the Contract before you sign it.

If the Contract does not specifically provide for the Vendor to attend to matters promised by the agent during negotiations, or hand the property over in a certain condition at settlement, then you may be required to settle on the due date and then seek recourse by costly litigation after settlement.

Building Works:- The law requires the Vendor to provide details of any building permits issued in the last 7 years for a residence, whether or not the works have been built.

On signing a Contract, you may be liable for any illegal structure on the property unless appropriate conditions are included in the Contract.

Therefore, it is vital that all building works undertaken to the original construction have a building permit **and** either an unconditional Certificate of Final Inspection or Certificate of Occupancy.

The best time for making enquiries about whether all necessary building permits and final approvals for building works on the property have been obtained is before the Contract is signed or before the end of the cooling off period (if any).

If any buildings or alterations have been carried out in the last 7 years and the value of the work exceeds \$12,000 there should be insurance in force covering defects in the works. In the case of owner built works carried out in the last 7 years, regardless of value, the Vendor is obliged to provide an inspection report as to the condition of the works. We recommend you obtain a copy of the defects insurance and, if applicable, the inspection report from the selling agent or the Vendor before signing the Contract or before the end of the cooling off period (if any).

If you have concerns as to whether all necessary building permits, final approvals and insurance has been arranged by the Vendor, then please feel free to consult us. We will help you to determine the appropriate steps to be taken to protect your position.

Owners Corporation:- If you are buying a property that is in a unit or apartment that is affected by an Owners Corporation, you should obtain a copy of the Owners Corporation Certificate from the selling agent.

This Certificate will disclose information such as the Owners Corporation fees and levies; whether the Owners Corporation is proposing to perform any repairs, and any legal claims against the Owners Corporation.

It will also outline the Owners Corporation's rules and insurance arrangements with respect to the common property, including public liability insurance cover and building insurance (if any).

Measurements:- You should obtain a copy of the Title Plan from the selling agent and measure the boundaries of the property and the distance to the nearest intersection. This is to check that the location and boundaries of the property are correct. If you are in any doubt, we are able to introduce you to a surveyor. If you intend to bid at Auction and are not satisfied that the actual property accords with the title, you should consult us well before the Auction.

Private Sale:- If you are negotiating to purchase the property privately and you are not satisfied with the information you have received in relation to the Property, you should consult us before completing negotiations, as we may be able to greatly assist you with your negotiations.

Auction:- If you intend to bid at auction, then feel free to consult us before the auction date. We can review and advise on the issues raised in this brochure.

Conclusion:- If you would like any further information or assistance, please do not hesitate to contact our friendly team at M A Legal on

1300 88 73 91 or email info@malegal.com.au

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