

CONVEYANCE OVERVIEW

SELLING

Preparation of Contract

Before a property can be advertised or offered for sale a draft contract for sale must be prepared and include following:

For a House

- Energy Efficiency Rating Statement (EER)
- Pest inspection report
- Building and compliance inspection report.

For a Class A unit (apartment or flat)

- Energy Efficiency Rating Statement
- Section 75 certificate which contains Information about the Body Corporate e.g. insurance, levies, etc. and - Copies of minutes of meetings of the Body Corporate (including Executive Committee) held during the last 2 years. (We can obtain these from the Body Corporate Manager).

For a Class B unit (townhouse)

- Energy Efficiency Rating Statement
- Pest inspection report
- Building and Compliance Inspection Report (formerly structural and building file reports).
- A Section 75 Certificate which contains information about the Body Corporate e.g. insurance, levies, etc.. (We can obtain this from the Body Corporate Manager).
- Either you or your agent will provide the Building, Pest, Compliance reports and EER.
- We will obtain Body Corporate information and provide other required information under the Civil Law (Sale of Residential Property) Act 2003.

An inspection report must be no more than 3 months old when the property first goes on the market.

The seller is required to disclose breaches of covenants of the Crown Lease or Unit Articles, if not disclosed in the report, and disclose if any matters in the report that may have changed since first prepared. The provider of the report should have professional indemnity insurance to enable a buyer to claim compensation for errors the report should there be any.

ACT legislation and the contract for sale states that on settlement the buyer must reimburse the seller for the cost of:

- Building and compliance inspection report
- Pest inspection report
- Section 75 certificate (refer to Contract Annexure C section C9 in the Contract for Sale)

Discharge of mortgage

Mortgage Repayments and Discharge Mortgage Instalments should be paid until the sale has been completed at which time your mortgage will be discharged. A discharge authority from your bank will be required to be completed and signed by all mortgagors. We can provide the appropriate discharge and send to the bank for you. Some banks can take up to four weeks to arrange a discharge.

Insurance

Seller property insurance should be maintained until the sale has been completed. Buyers will also need to have insurance as well from the date of exchange.

Keys

Keys, remote controls and any other items are released to the buyer at settlement by an order on the real estate at settlement. If no agent then we will release them to the buyers lawyers at settlement.

Services

Electricity, Gas and Telephone will need to be cancelled by a seller and connected by a buyer.

BUYING

Finance

You need written approval of your finance before Contracts are exchanged. Occasionally a Contract may be "subject to finance" where there is time period in which to obtain approval of finance. If finance is not approved within the period (or any extension of time negotiated with the seller) the Contract is usually cancelled.

Cooling off Period

The ACT allows a cooling-off period of 5 business days in which to change your mind but if you do you forfeit 0.25% of the purchase price. Sellers usually require this right to be waived and enclose a Section 17 Certificate with contract for you to sign.

Insurance

The property is at the buyer's risk from the date of exchange of contracts and therefore you must, on or before the exchange of Contracts, obtain a Policy or a Certificate of Currency identifying you as buyer owner and the mortgagee as an interested party. Loss or damage due to burglary or housebreaking is often not covered if buildings are not furnished for full habitation. If you move house and leave part of your furniture in one house while moving, you may not be covered if the place is broken into and the contents stolen. If the house is left uninhabited for more than the period specified in the policy (usually 60 or 30 days) the insurance cover for certain events defined in the policy lapses unless you have prior written consent from the insurer.

Stamp Duty

The Contract must be lodged for assessment and duty paid within 90 days from the date of exchange. Late payment will attract a penalty interest. Stamp duty must be paid before the settlement date if there is an incoming bank.

Goods

The Contract will list goods to be sold with the land and buildings. Fixtures are included in the sale without having to be mentioned specifically. A fixture is something attached to the land or building cannot be taken away without doing any damage. What will be listed in the contract are not only those goods (non-fixtures) included but also items of doubt, such as T.V. aerials, floor coverings, light fittings, dishwasher, garden shed, etc.

Mortgagee

By the time of settlement your funding will be processed and your lender ready to book in and proceed to settlement. This process needs to commence as quickly as possible after exchange so as not to delay settlement. To facilitate this we require contact details of your lender or broker.

Final Inspection

Before Settlement we recommend that you arrange with the estate agent to inspect the property just before settlement. This right is provided in the Contract. This is a safeguard to ensure that on completion the house will be as you expect it to be from the terms of the contract.

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