

Client Fact Sheet Series

An easy guide to your real estate purchase

The following information is provided to help your purchase proceed with maximum efficiency, and by the due date for settlement. Please read it carefully since it may answer many questions you might have concerning your transaction. While every effort has been made for the guide to be as comprehensive as possible, we strongly recommend that you contact us should you have any specific queries concerning matters not covered by the guide or any other matters relating to your particular transaction.

General

- It is important that you attend to any requests for signing of documents etc as early as possible and return documents quickly, particularly when the time frame for settlement is short or the post is likely to take longer than the standard one business day.
- Take prompt action concerning any Special Conditions, which you have either stipulated or may need to satisfy, in your Contract for Sale by Offer & Acceptance.
- Make sure that payment of any monies, e.g. deposit or balance of deposit, is made by the date set out in the contract.
- If you plan to be away during the period leading up to settlement, please contact us to make sure any necessary documents have been signed and let us have alternate contact details.

Finance

If you require finance to complete the purchase, i.e. your contract is conditional upon you accepting a loan offer from a financial institution, ensure that you take immediate steps to obtain the loan. Attend promptly to any request by the financial institution concerned to sign documents to avoid delays in settlement.

Once you have accepted a loan offer you should contact us and let us know the date on which you accepted the offer of finance. If your financial institution is to be ready to settle on time, you will need to make an appointment to sign your mortgage documents at least one week prior to the due settlement date. The bank will advise you of any application, mortgage preparation fees or stamp duty which are payable in respect of the mortgage. The bank's fees and disbursements WILL NOT be included in the Settlement Statement you receive from us.

Documentation & Settlement Statement

We will send a "Transfer of Land" document to you for your signature/s together with an initial Settlement Statement which will show amounts payable by you in respect of stamp duty, settlement fees and other disbursements. Please sign and return the document together with a cheque for any funds requested promptly. The statement will either apportion current rates and taxes or include an amount to be held in our trust account pending receipt of the relevant details.

If you receive any accounts for rates from either the Water Corporation or the Local Government Authority soon after the settlement date, please contact us before making payment since payment may already have been made following settlement.

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Stamp Duty Rebates/Concession

Depending on the purchase price of the property, you may qualify for a concession, rebate or exemption on the stamp duty where you reside in the property even if you are not a first home buyer. Currently this applies to property up to a value of \$200,000.00.

First home owners MUST be approved to receive the First Home Owners Grant to be also eligible for the First Home Owners rate of stamp duty on the contract. On a purchase of an established home the threshold is a purchase price of \$500,000 with concessions up to \$600,000 and on vacant land it is \$300,000 with concessions up to \$400,000. Fact Sheets are available on the Office of State Revenue website at www.osr.wa.gov.au, or you may call our office to further discuss your circumstances.

Rates & Service Enquiries

We will make enquiries on your behalf to the Water Corporation (concerning the availability of services and the current rates), to the relevant local authority (concerning rates, orders and requisitions and housing indemnity insurance details) and to the State Revenue Department (concerning any current or outstanding land tax). Fees are payable to the authorities concerned to provide this information, we will advise you of the fee which applies in the case of your property and include it in your settlement statement.

Responses to the enquiries mentioned above are not always received prior to the settlement date. You might, therefore, wish to make your own enquiries direct with the Water Corporation concerning availability of services (connection to water and sewerage and any building restrictions which might apply) and with the Local Government Authority concerned to ensure that there are no outstanding orders or requisitions which apply to the property. For example, you may wish to check that any buildings or extensions have the necessary Local Government Authority approvals.

If the property is not connected to sewerage then, in certain circumstances, it may be your responsibility to connect to the sewer line either within one year of the date of settlement or within 5 years of the Water Corporation issuing a notice to you to connect to sewerage.

Housing Indemnity Insurance

If a building license was issued after 1 February 1997 for a dwelling or for substantial improvements of a value of \$12,000.00 or more, the builder (including an owner builder) must have home indemnity insurance for the work. From 1 July 2007 the \$12,000 value limit was raised to \$20,000. You will need details of the insurance in the event you need to make a claim for structural defects within the period of insurance. If you believe this applies in your situation, please contact us so that we can attempt to obtain the necessary details.

Owner Builders are not required to take out home indemnity insurance before they can build or undertake substantial improvements, but MUST do so if they sell the property within seven years of obtaining an owner builder license from the local authority.

An owner builder is NOT permitted to sell the property within 3 years of obtaining their owner builder license without receiving permission from the Minister of Fair Trading, through DOCEP.

Septic Tanks

Under the Health Act, if the property you are purchasing is connected to a sewer and septic tanks are still on the property and have not been de-commissioned, then within sixty days of settlement, you must de-commission any septic tanks on the property.

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De-commissioning is done by:

1. Emptying the tank by a person licensed to do so.
2. Either removing the tank, or if that is not practical, breaking up the base of the tank.
3. Back-filling the tank.

Strata Title Properties

If the property you are buying is a strata title property, the Strata Titles Act states that you must receive a disclosure statement (Forms 28 & 29) either prior to or at the time of making your offer to purchase the property. If you have not received the required disclosure information, the law gives you certain rights to avoid the contract. Please contact us if you have any queries and we will refer you for legal advice if necessary.

Inspection of Property

Your contract gives you the right to a final inspection of the property on one occasion within 5 business days before settlement date or possession date. You should contact the real estate agent concerned and make arrangements to inspect the property to ensure that it is in the same state and condition as it was when you made your offer to purchase. If your contract has a condition which states that certain items are to be in working order at settlement or if it states that repairs are to be carried out by the Seller, you will need to check that these have been attended to satisfactorily and that items mentioned are in fact working.

Keys

We will notify you once settlement has taken place at which time you should contact the real estate agent concerned to arrange to collect the keys to the property. If the property is the seller's normal place of residence, the seller is entitled to stay in possession (i.e. occupy the property) until noon on the day following settlement. That provision is intended to allow adequate time for the seller to vacate the property.

After Settlement

If a Mortgage is to be registered on the property then the Certificate of Title will be kept as security by your financial institution. If you are paying cash for the property, we will forward the Certificate of Title to you by certified or registered mail once it has been returned to us by the Department of Land Administration. You should make adequate arrangements for safe keeping of the document since it can be difficult and expensive to replace. You might, for example, wish to make arrangements for the document to be held in safe keeping at your bank.

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Things You Should Do

It is your responsibility to make arrangements for connection of power, gas and telephone services to the property. We will not attend to those matters for you. We will notify the local council and the Water Corporation of the change of ownership and arrange for the water meter to be read.

As far as insurance is concerned, the property is generally at your risk from the date of settlement or from the date of possession (i.e. the date from which you occupy the property) whichever is the earlier date. With the exception of common insurance on strata titled properties, we will not make insurance arrangements for you. It is strongly recommended that you make adequate arrangements for insurance for both the property and for contents direct with your insurer and prior to settlement or taking possession of the property, whichever occurs first.

You may wish to organise redirection of your mail to your new address.

Don't forget to notify friends, relatives, sporting organisations, schools and anyone else with whom you deal regularly of your new address and contact details.

You may wish to obtain quotes and book a removalist prior to the settlement date.

Make sure you are regularly in touch with us so that we can inform you if there is likely to be any delay in settlement.

If you have any queries concerning any aspect of your transaction please contact us without delay.

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