

## **A 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.

### **Your Rights**

We will act in your best interest at all times.

### **Your Obligations**

You have an obligation to bring to our attention any matters that you think may affect your interests in the transaction. This is especially important where we prepare financial information on your behalf, which you think is incorrect, or where you intend to vary the settlement date or take early possession of the property.

### **General**

- (a) It is important that you attend to any requests for signing of documents etc. as early as possible and return the documents quickly, particularly when the time frame for settlement is short or if the mail is likely to take longer than the standard one business day.
- (b) 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.
- (c) Make sure that payment of any monies, e.g. deposit or balance of deposit, is made by the date set out in the Contract.
- (d) 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. For example, the Transfer of Land cannot be faxed or e-mailed but many other authorities do not need original signatures.

### **Finance**

If you require finance to complete the purchase, whether or not 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 that the loan is approved and advise the date on which you accepted the offer of finance. If your lender 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. If you are dealing with a finance broker, please contact the broker who will assist you to find out from the Lender when the documents will be ready for you to sign. The lender will advise you of any application, mortgage preparation fees or stamp duty which are payable in respect of the mortgage. The lender's fees and disbursements WILL NOT be included in the settlement statement you receive from us, however they may be deducted from your loan funds at settlement. This means that any balance amount that you may need to have available prior to settlement may increase.

### **Documentation and 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 promptly sign and return the documents, together with a cheque for any funds requested. 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, as these accounts may already have been paid following settlement.

### **Duty Rebates**

There are concessional rates of duty available for dutiable transactions by first home owners, dutiable transactions relating to residential property and dutiable transactions relating to principal places of residence.

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 owner rate**

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 the purchase of an established home the threshold is a purchase price of \$430,000 with concessions up to \$530,000 and on vacant land it is \$300,000 with concessions up to \$400,000.

For further information on eligibility requirements for the first home owner rate, please refer to the Duties Fact Sheet 'First Home Owner Rate of Duty' available at the Office of State Revenue website at [www.osr.wa.gov.au](http://www.osr.wa.gov.au). or you may call our office to further discuss your circumstances.

### **Residential rate**

The residential rate applies to places of residence, rental home and land on which a residence is constructed within five (5) years from the date the liability to duty arose. It is irrelevant whether the home will be occupied by the owner as a place of residence, occupied by a tenant as a place of residence under a lease, or occupied as a holiday home for part of the year. The residential concessional rate applies to mixed use property such as a restaurant with a residence above it.

For further information on eligibility requirements for this concessional rate, please refer to the Duties Fact Sheet 'Transfer of Residential Property' available at the Office of State Revenue website at [www.osr.wa.gov.au](http://www.osr.wa.gov.au). or you may call our office to further discuss your circumstances.

### **Principal place of residence concessional rate**

A person may be eligible for a concessional rate of duty where the dutiable property is a principal place of residence in Western Australia and the dutiable value does not exceed \$200,000.

For further information on eligibility requirements for this concessional rate, please refer to the Duties Fact Sheet 'Transfer of Residential Property' available at the Office of State Revenue website at [www.osr.wa.gov.au](http://www.osr.wa.gov.au). or you may call our office to further discuss your circumstances.

### **Rate & Service Enquiries**

We will make enquiries on your behalf to the Water Corporation (concerning the availability of services and the current or outstanding rates), to the relevant local government authority (concerning rates, building licenses issued, orders and requisitions and housing indemnity insurance details) and to the Office of State Revenue (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 our estimate of disbursements.

Responses to the enquiries mentioned above are not always received prior to the settlement date in the case of a short settlement time. 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.

### **Building Licenses**

Unless specifically requested, we will not make enquiries with the local government authority in relation to approved buildings on the property. In many dwellings and structures built before 1990 records are not easily obtained and further fees and extended time periods apply to obtain the same from the local government authority. Where you consider that a patio, shed, games room or extension of a building was possibly erected after the main dwelling was built refer this query to the real estate representative who will make initial enquiries of the Seller. Where the Seller was the owner of the property at the time these structures were built they may have retained the approvals thus reducing the time money and effort required to obtain this information.

### **Sewer Lines**

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 five (5) years of the Water Corporation issuing a notice to you to connect to sewerage.

### **Septic Tanks**

Under current legislation, 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.

De-commissioning is done by:

- (a) Emptying the tank by a person licensed to do so.
- (b) Either removing the tank, or if that is not practical, breaking up the base of the tank.
- (c) Back-filling the tank with clean fill and compacting.

### **Home 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 the 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 undertaken 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 the Department of Consumer and Employment Protection.

### **Strata Title properties**

If the property you are buying is a strata title property, the Strata Titles Act 1985 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 yet received the required disclosure information, the law gives you 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 the property**

Your Contract gives you the right to a final inspection of the property on one occasion within 5 business days before the 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 the items mentioned are in fact working. We do not inspect the property at any time.

### **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 and any other security devices 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 12.00 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 by your lender, the Certificate of Title will be held by the lender as security for the loan. If you are paying 'cash' for the property, we will forward the Certificate of Title to you by registered mail once it has issued back from the Landgate. If you wish to collect the Certificate of Title from our office, please advise us and we will contact you once it has issued back. We recommend that you make arrangements for safe keeping of the Certificate of Title since it can be difficult and expensive to replace.

### **Things you should do**

- (a) It is your responsibility to make arrangements for connection of the power, gas and telephone services to the property, We cannot attend to those matters for you as they are 'occupier' agreements. We will, however, notify the local government authority, Water Corporation or alternate water supply authority (if applicable) of the change of ownership and arrange for the water meter to be read as close as possible to settlement date. With a small number of multistorey strata units electricity and gas may be ready and adjusted by the Strata Company but this will be clear on their response to our enquiry.
- (b) As far as INSURANCE is concerned, the property is generally at your risk from the date of settlement OR possession date, i.e. the date from which you occupy the property, whichever is the earlier. With the exception of common insurance on strata title properties, we cannot make insurance arrangements for you. It is strongly recommended that you make adequate arrangements for insurance for both the property and your contents, direct with your insurer. Please arrange the insurance prior to settlement or possession date, whichever occurs first. PLEASE NOTE, the majority of lenders will require to see, prior to settlement being arranged, adequate insurance cover in the form of the 'Certificate of Currency'. Please refer to your loan documents, which will normally outline insurance requirements. Failure to provide a copy of the insurance certificate to your lender may result in settlement being delayed and penalties being applied by the Seller.
- (c) You may wish to organise a re-direction of your mail to your new address.
- (d) Remember to provide your new address and contact details to friends, relatives, sporting organisations, health providers, schools and anyone else with whom you deal regularly. Change your address with the Electoral Commission as soon as you move to ensure this is not overlooked. You may wish to obtain quotes and book a removalist prior to the settlement date. We will let you know as soon as we become aware of the likelihood of a delay in settlement. Unfortunately, due to the multiple parties involved, we cannot guarantee that settlement will be effected on the due date but will endeavour to achieve your contracted settlement date and with your help ensure you are ready to settle at that date. Either you or the seller may delay settlement for up to three business days after the due date, so, unfortunately, the contracted date is not assured.

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