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Tips for Purchasing

A guide to help you through the process

Signing and Exchanging Contracts

When a sale price has been successfully negotiated, you will need to sign a copy of the Contract for Sale. The Contract for Sale states the terms and conditions under which the property will be sold. It is important to note here, that a property is not considered sold until the contracts have been signed by both the buyer and the vendor and exchanged, this is called the Exchange of Contracts.

Until the exchange of contracts has been effected the agent is bound, by law, to notify the vendor of any other offers made on the property. If a better offer is made, the vendor has the right to accept this better offer, this is usually referred to as Gazumping.

You are only protected from Gazumping once the contracts have been exchanged therefore we suggest that you arrange to have the contracts exchanged as soon as possible, and having pre-arranged your finance will assist you to do this.

QUICK TIP
You will need to pay a deposit when you sign the contract for sale, this is usually 10% of the purchase price. The contract is not valid until a deposit has been paid.



Clauses and Conditions

Quite often as a buyer, you will make an offer subject to certain terms being met. These conditions form part of the overall contract, and need to be fulfilled by a certain date. The most common clauses inserted into a contract are;

- subject to satisfactory pest inspection
- subject to a satisfactory building inspection
- subject to finance
- subject to a valuation

Usually the above clauses have an expiry time frame of between 5 to 10 days from exchange of contracts.

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Building and Pest Inspections

People often wonder what constitutes **satisfactory** for these types of inspections.

Anything of a structural nature that can not been seen by the naked eye on a normal inspection usually constitutes an unsatisfactory element of the report.

With pest inspections, active termites is the biggest concern, however other common things that pop up in reports that are not necessarily the Vendor's responsibility are:

- wood rot
- leaking downpipes/gutters
- minor cracking and movement
- squeaky door hinges

Things that vendors probably have to negotiate on are:

- truss or beam issues in the roof
- no insulation in the roof
- leaking shower/vanity causing damage to a cupboard or room on the other side
- active termites
- wobbly footings
- large amounts of corrosion caused by salinity or rising damp

Most things can be negotiated, but it's always best to be mindful of what may go wrong. As a buyer the number one thing to remember is this; **everything broken can still be fixed**.

The "Cooling Off" Period

Under legislation, most purchasers of residential property are granted a Cooling Off Period.

This period commences on the day of exchange and expires at 5:00pm on the fifth working day following. Within this period you are able to withdraw from the contract with only a small penalty of 0.25% of the purchase price.

This five day period is an excellent opportunity to arrange pest and building reports and valuation inspections. Our agent will assist you in arranging all necessary inspections and reports.

QUICK TIP
There is no cooling off period if the property is sold at Auction. So if you need to arrange finance, or have pest, building or valuation reports carried out we recommend that you arrange these well in advance of the auction date.



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Settlement

Once an exchange of contracts has taken place and the cooling off period has expired, your solicitor will conduct a number of searches and enquiries to verify that all is in order with the legal title of the property. At the same time, you will need to finalise your financial arrangements with your lending institution. The settlement process usually takes four to six weeks.

Keys and Access

Arrange to collect the keys to your new home after settlement has taken place. Find out if the keys will be available from your solicitor or from our office. Please note that if we are holding the keys, we will not be able to release the keys to you until we have written authorisation from the vendors solicitor, so we suggest you ring ahead to ensure that this authorisation has been received by us.

Preparing to Move

Congratulations on your new home! Here are some suggestions to help make the move a little easier. When planning the date of your move we suggest you allow a few days between the proposed settlement date and the date of your removal. This time will allow you to arrange any final details in your new home prior to moving in. It also means that if there is a hold up with the settlement process and the final settlement day is postponed you won't have to reschedule your plans. You will find that allowing this extra time can help to make the moving experience more relaxed and organised.

Some Things You Can Pre-arrange

There are some things which you may wish to have done prior to moving in. Some of the items listed in the checklist over the page could be pre-arranged.

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Checklist

Preparation

- [ ] Book a removalist
- [ ] Arrange insurance for your furniture, property, etc during transport
- [ ] Arrange to disconnect the telephone, electricity, gas and water (you will need to advise these authorities in advance of the day)
- [ ] Arrange to have the telephone, gas, electricity, and water connected prior to you moving in. It's a good idea to arrange to have these connected at least 24 hours in advance of your moving date, and 24 hours in advance of a weekend. This will give you time to sort out any problems that may arise during connection, and minimise the risk of discomfort during your first days in your new home
- [ ] Cancel or redirect deliveries - redirect mail forms are available from Australia Post
- [ ] Arrange to disconnect the telephone, electricity, gas and water. You will need to advise these authorities in advance
- [ ] Advise people of your new address such as:
  - [ ] Friends
  - [ ] Relatives
  - [ ] Professionals, for example, your doctor, dentist, club, bank, accountant, solicitor, insurance supplier, regulatory bodies such as RMS, Electoral Commission, and ATO.
- [ ] Arrange for house and contents insurance
- [ ] Arrange for any urgent repairs to your new home to be completed prior to moving in, like carpet cleaning, broken window, lights and locks

On the day

It's a good idea to have put together a moving survival pack to get you through the actual day of the move and your first night in your new home. This pack should contain things like:

- [ ] Pre-cooked and wrapped finger food
- [ ] Bottled drinks plus tea, coffee, long life milk and a kettle
- [ ] Cups, plates, cutlery and tea towels
- [ ] Toilet paper, tissues, kitchen wipes
- [ ] Change of clothes
- [ ] Pyjamas and bedding
- [ ] Toiletries
- [ ] Toys for the kids
- [ ] Cleaning products including a broom and vacuum cleaner
- [ ] An electric extension cord

This is the perfect opportunity to give the whole house a thorough spring clean before arranging furniture and unpacking boxes. Last of all, allow yourself to sit back, relax and soak in the atmosphere of your new home.