



Buying Real Estate Checklist

***IMPORTANT NOTICE:**

This checklist is a guide and we hope you find it helpful. For advice about your specific conveyancing and legal needs you must obtain your own professional advice. You can contact Sweeney Tiggemann's conveyancing staff on (02) 9331 5739. This checklist is subject to our disclaimer notice on our website: www.conveyancing-sydneysw.com.au

If you are buying for the first time you will probably be feeling cautious and enthusiastic. But even if you are a second or third time buyer there are a lot of things you will need to know about.

Every purchase is different. This document will give you a useful overview.

If you have a question about the information contained in this document, please contact us on (02) 9331 5739. You may also find your answer on our frequently asked questions page on the website: www.conveyancing-sydneysw.com.au

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Have I organised my finance?

Before you start looking for real estate you should know how much you can spend and, if necessary, how much money you can borrow. You need to know your price range.

Think about using a mortgage broker. You may find it confusing to try and work it out yourself. A good mortgage broker can help you decide on the best option for you.

How do I find the property I am looking for?

Many people find the internet useful. You may find it useful to leave your name with agents in your target suburb. They can add you to their email alert list.

And there is always the old fashioned way; looking in real estate agents' windows.

How do I decide what property is right me?

The right property and location may depend on many factors eg:-

- proximity to public transport
- lifestyle
- whether there is a car pool in the area (car pools are on the rise and depending on where you buy, you may be able to sell your car and make some big savings)
- suitability of the area for children and proximity to schools
- whether you want your own garden (you may prefer to leave maintenance to someone else, and buy into a strata plan or a company title unit).

I have found the property, should I make an offer?

Before making an offer on a property, take the time to get a feel for the market.

Even if you make an offer that is accepted, you or your Vendor are usually able to pull out of the agreement until a binding contract has been signed.

Once a binding contract is signed, you and your Vendor will have obligations to one another. There will probably be consequences if you want to change your mind.

As soon as you are serious about making an offer for a property you should ask for a copy of the contract. Your solicitor or conveyancer should go through the contract with you before you sign it.

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Can I make an offer on a property which is going to be auctioned?

You can make an offer even though the property is going to be auctioned.

Many vendors will be prepared to sell their property before the advertised auction date. Coming to an agreement before the auction date can give both parties certainty.

When should I sign the contract?

Buying real estate is a big commitment. You need to be comfortable about proceeding before you sign.

This is especially true if you don't have a cooling off period.

You need to consider many things before you sign, including:-

- whether you have obtained advice about the contract the Vendor is offering
- whether you should get your solicitor or conveyancer to supervise your exchange of the contracts
- that you have finance to complete the contract
- that you can pay ten percent of the purchase price by way of deposit, or that you have a financial institution ready to provide a deposit bond. Sometimes the vendor will agree to reduce the deposit.
- whether you should obtain a building report. Building reports are usually available within a week of requesting them. Sometimes it is worthwhile obtaining a building report even if you are buying an apartment. A building report may give you an idea about how much money you may have to spend on the property in the months and years after your purchase has settled
- whether you should obtain a pest inspection report. These reports are usually available within a few days to a week. Sometimes it is worthwhile obtaining them even if you are buying an apartment
- whether you should check the electrical wiring in the premises. You could ring Energyfix on 132604 to arrange an inspection
- If you are buying a strata unit or company title unit you should obtain a report in relation to the strata or company records. They usually cost between \$200 and \$350. A good strata records or company records inspection report should warn you about the following:-
 - a. what the quarterly levies are that you will have to pay once you own the unit
 - b. whether there is any problem with the building which may necessitate a large "one off" levy which you have not budgeted on. These levies are sometimes necessary to enable the body corporate to fix structural problems
 - c. whether there have been complaints about noise from neighbouring apartments.

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What about a cooling off period?

If you have a cooling off period:-

- depending on your contract the cooling off period usually lasts until 5.00pm on the 5th business day after you have signed your contract
- you may have enough time to complete enquiries after the contract has exchanged and before the cooling off period expires
- If you discover a problem before the expiry of the cooling off period, you may be able to renegotiate the purchase price
- you will have the safety net of being able to terminate the contract at the cost of forfeiting only 0.25% of the purchase price.

Many Vendors will refuse to exchange unless you have waived your cooling off period.

You will only be able to waive your cooling off period if your solicitor or conveyancer issues to the Vendor a section 66W Certificate at the time the contract is exchanged.

What is gazumping and should I be worried about it?

Gazumping occurs after you have agreed a price with the Vendor, but before you have signed a binding contract. Before you and the Vendor have signed the binding contract the Vendor may decide to sell the property to someone else. If this happens you may be given the chance to offer more money to secure the purchase.

You need to be aware of the risk that you will be gazumped.

You can be gazumped even if you have paid a holding deposit. A holding deposit will not compel the Vendor to hold the property for you unless the Vendor has contracted with you not to sell the property to anyone else. You should obtain legal advice about this.

If I think I am ready to sign what can I expect of Sweeney Tiggemann?

Firstly

Sweeney Tiggemann will obtain a copy of the contract and advise you in respect of any necessary amendments. We will negotiate with the Vendor in relation to any changes that may be required.

We, will talk with you about the following:

- whether you have enough money to pay the deposit, or whether you have a deposit bond ready
- whether you have enough money to complete the contract
- your lender's contact details and, if necessary, whether you have written

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confirmation of finance approval

- whether you are exempt from having to pay stamp duty
- if necessary, the stamp duty you may be liable for.

We will discuss with you the pre exchange precautions, including:

- whether there is a need for pre-purchase reports e.g. building/pest/electrical wiring
- if applicable whether you should commission a strata records or company records pre inspection report.

Secondly

Once we have secured any necessary amendments to the contract, we will get you to sign the contract. We will also supervise the exchange of the contracts.

This process usually takes between 2 to 5 days.



How can I prepare to buy an Auctioned Property?

- You should speak to your solicitor about the matters referred to above under the word “Firstly”
- You should be certain about what amount of money you are prepared to bid to
- You should be certain that you can pay the deposit
- If you are unfamiliar with the auction process you should seek advice. The agent may be able to help
- Attend the auction with ample time to spare. You will have to register yourself as a bidder



What will Sweeney Tiggemann do after exchange?

We will:-

- liaise with your financier/bank to ensure all its requirements are met
- conduct necessary searches
- issue questions to the Vendor about their title to the land. These questions are referred to as “Requisitions on Title”
- prepare a settlement statement for your approval
- assist you with your stamp duty obligations, should you have any
- arrange settlement.

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What will I need to do to help Sweeney Tiggemann do their job?

We will need your instructions from time to time. We will need to have your telephone number, and other contact details such as your email address.

What should I do before settlement?

You should organise your final inspection with the Agent. You should make sure that nothing is damaged and that the property is in the condition it was when the contract was formed. If it is not, you should tell your solicitor or conveyancer. You may be able to do something about it. You may be eligible for compensation.

What will happen at settlement?

We will:-

- collect the Certificate of Title from the Vendor and any other documents that the Vendor has to hand over
- give the Certificate of Title to your incoming mortgagee, if there is one
- collect the settlement cheques from the incoming mortgagee, if there is one, and give them to the Vendor
- hand over to the Vendor your Order on the Agent. This is the document that permits the Agent to release the deposit to the Vendor
- and we will do anything else reasonably necessary to get the job done.

What happens after settlement?

The property will belong to you and you will usually have access to it. You will probably have to contact the Agent for the hand over of the keys.

The agent will release the deposit you paid to the Vendor.

Ordinarily the Vendor will have to give you vacant possession at the moment of settlement. This usually means that all of the Vendor's property needs to be out of your new house/ property when settlement occurs. This can be tricky, with removalists loading their truck with the Vendor's things at the same time as your removalist is on the way with a truck loaded with your things. As tricky as it may be, the system usually works without problems.

The agent will release the deposit to you after deduction of the agent's commission.