

## Step by Step – Purchase Guide

Finding your dream home, investment or holiday home is a huge and emotional decision to make. It is also such a daunting process when you have no idea on what will be asked from you and what steps you need to take to make sure you abide and complete settlement successfully. We have put together below a handy step by step process on how to negotiate your way in purchasing your successful property.

### 1. Inspect the property.

Once you have found the property you like it is important you inspect the property. Contact the agent and take a checklist to make note of the items at the property and cross reference the contract of sale to your inspection.

For example; inclusions, exclusions, any concerns at the property, if there is any recent improvements etc.

### 2. Negotiate the terms of the sale with the agent.

Its time to talk price, negotiate the purchase price, confirm the settlement date and ensure the inclusions (air conditioner, dishwasher, BBQ, Fridge etc) and exclusions (garden features, pool equipment etc) of the property is noted on the contract of sale. Ensure the contact is marked appropriately – vacant possession or existing tenancy.

If you are taking possession of the property – vacant possession must be marked.

### 3. Exchange contracts with the agent (with a cooling-off period).

You will be asked to pay a holding deposit which will be equivalent to 0.25% of the purchase price. This is to take the property off the market.

The agent will meet with you as the purchaser to have you agree and sign the contract and then the vendor, once all parties have signed the contracts are dated.

I note the vendor will be bound to the terms of the sale but you (the buyer) will be able to exit the contract. You can exit the contract for any reason, or even for no reason at all. If you do exit the contract, you will lose the holding deposit which will be paid to the vendor. This is to compensate the vendor for having the property off the market for the specified time.

The benefit to you of an exchange with a cooling-off period is that the vendor cannot sell the property to anyone else after the contracts have been dated. It reduces the possibility of someone making a higher offer than you and the vendor selling the contract to them (called 'gazumping').

#### **4. During the cooling off period**

As your conveyancers we will complete the due diligence enquiries on your behalf. The enquiries include but not limited to; checking council records for the property, ordering a pest and building report or a strata report on your behalf, and work with your lender to obtain unconditional finance approval.

We will also request further information and request changes to the contract and property on your behalf. This will all be conveyed to you to ensure you are fully aware of the legalities and special conditions you will be bounded by.

a. pest & building report;

This will be a cost to you however our office or your agent will organise this on your behalf to ensure you are provided with a full comprehensive separate Pest AND Building report. This report will detail any defects, concerns or issues regarding the structures on the property and be conveyed to you in a report often emailed directly to you as the buyer.

b. finance approval;

Once we have obtained finance approval from your lender and all necessary reports and enquiries have returned this is the final step to proceed into binding contracts at the expiry of the cooling off period.

We will confirm with you if you are happy with all the information from the replies, inspections and reports to proceed with your purchase and ask you to pay the remaining 10% deposit of the purchase price required for exchange paid into the agents trust account.

Note: If you do not have the 10% deposit in hand, we can negotiate a reduced 5% deposit or the use of a deposit bond.

#### **5. Expiring of the Cool off period and proceeding into binding contracts**

Once you are happy and have paid your deposit at pm of the expiry of the cooling off period date, your conveyancer will authorise the sold sign to go up.

You will receive correspondence from our office to confirm this, The next step from you is to chase loan documents from your broker/lender and have completed, signed and returned as soon as practical to ensure settlement is not delayed.

Set up the appropriate insurance for the property and connect the utilities on and from the settlement date.

We will do the rest to ensure we make settlement on time and with the appropriate searches and certificates. We will continue to chase your bank once your loan documents are returned to book in settlement.

## **6. Complete the settlement.**

Once settlement is booked with a date, time and place, a pre settlement letter will be sent to you noting the adjustments (rates, water etc), the monies required for settlement including applicable fees and duties and if borrowing cash what is coming from your lender. We ask if there is a shortfall you ensure this is banked as directed in the letter at least 3 business days prior to settlement.

Book in a final inspection of the property with the agent and take along our checklist to ensure you check everything. The purpose of this inspection is to ensure everything is in working order and you accept the property in its present, state and condition as it was at exchange. The property needs to be free from any rubbish, materials and no damage to the property has occurred since exchange. If there are any issues you need to contact our office immediately to ensure we inquire and have this rectified if need be.

Our priority at the purchaser is to ensure you have no further expenses once the property is signed over to you at settlement