

A Guide To Your Real Estate Purchase

Plus

Your Settlements

“Helping people with their property needs”



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The following information is provided to help your purchase proceed with maximum efficiency, and by the due date for settlement.

Please read this 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.

IMPORTANT INFORMATION TO NOTE

- If you plan to be away during the period leading up to settlement, please contact us before you leave, to make sure any necessary documents have been signed and let us have alternative contact details.
- 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.
- Take prompt action concerning any Special Conditions, which you have either stipulated or may need to satisfy.
- Make sure that payment of any monies, eg deposit or balance of deposit, is made by the date set out in the Contract.



Finance

If you require finance to complete the purchase, ie your Contract is Conditional; upon you accepting a loan offer from a bank, financial institution or lender ensure that you take immediate steps to obtain the loan. **Plus Your Settlements can help organise this for you, just contact us on 9274 2833.**

Attend promptly to any request by the bank, financial institution or lender 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. Please forward us a copy of your loan approval as soon as possible. You will also 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 financial broker, please contact the finance broker to arrange execution of your mortgage papers. The bank, financial institution or lender will advise you of any application, mortgage preparation fees or stamp duty which are payable in respect of the mortgage. The Lenders 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, therefore increasing any balance amount that you may need to pay prior to settlement.

Building Insurance

As far as insurance is concerned, the property is generally at your risk from the date of settlement OR possession date, ie the date from which you occupy the property, whichever is the earlier. **PLEASE NOTE**, the majority of lenders will require a copy, prior to settlement being arranged, and adequate insurance cover in the form of the "Certificate of Currency". 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.

Title Insurance

Plus Your Settlements can refer you to a title insurance provider for a quote. Title insurance is a product that can be obtained with any inherent risks that you may perceive will be associated with the property. If wish to know more about title insurance, please contact us on 9274 2833.



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 authority (concerning rates, 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 your settlement statement.

Responses to the enquiries mentioned above are not always received prior to the settlement date in 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 not outstanding orders or requisitions that apply to the property.

Documentation and Settlement Statement

We will send a "Transfer of Land" document to you for your signature/s together with an initial settlement statement. Our settlement statement 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 your statement has an amount of funds held in trust this is generally because we are yet to receive the account from the Water Corporation, shire or strata body. We generally receive the account prior to Settlement and adjust on them prior to Settlement and provide you with an updated statement,

Stamp Duty

An Offer & Acceptance contract must be lodged with Office of State Revenue for stamp duty assessment within two months of execution. In all instances, stamp duty MUST be paid prior to or at Settlement.

Stamp Duty Rebates

Depending on the purchase price of the property, you may qualify for concession, rebate or exemption on the stamp duty where you reside in the property even if you are not a first home buyer. This applies to properties up to the value of \$160,000.00.

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 the purchase of an established home, the threshold is a purchase price of \$430,000.00 and on vacant land it is \$300,000.00. This being said concessional rates apply between \$430,000.00 to \$530,000.00. 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.



Selling property worth more than \$750,000.00

From 1 July 2017, contracts of sale with a sale price of \$750,000.00 or more, each vendor is required to obtain a clearance certificate from the Australian Taxation Office (ATO) to confirm that each vendor is an Australian Resident for taxation purposes. Failure for the clearance certificate to be obtained results in the purchaser withholding 12.5% of the purchase price and providing to the ATO.

As part of the Settlement process we will be ensuring that a clearance certificate is provided to you, if the vendor fails to do so, we will withhold 12.5% of the purchase price from the vendor at Settlement.

Building Licences

Unless specifically requested, your Conveyancer will not make enquiries with the Local Government Authority in relation to approve building 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 5 years of the Water Corporation issuing a notice to you to connect to sewerage.

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 they have not been de-commissioned, then within sixty days of settlement, you must de-commissioned any septic tanks on the property.

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 with clean fill and compacting.

Home Indemnity Insurance

If a building license was issued after 1st February 1997 for a dwelling or for substantial improvement of a value \$20,000.00 or more, the builder (including an owner builder) must have home indemnity insurance for the work. 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 obtain the necessary details.



Home Indemnity Insurance

Owner Builders are not required to take out home indemnity insurance before they can build, but **MUST** do so if they sell the property within three years of obtaining their owner builder license from the local authority.

An owner builder **IS NOT** permitted to sell the property within three years of obtaining their owner builder license without receiving permission from the Department of Commerce.

Strata Title Properties

Generally, these properties either have levies and or insurance for common property, this information should have already been disclosed to you by the Real Estate agent or Seller. To determine if property is common, the general rule of thumb is that it used by more than one owner, for example, lifts, stairs, driveways, swimming pools and walls. 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 yet received the required disclosure information, the law gives you rights to terminate 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 five business days before the settlement date or possession date. You should contract the Real Estate Representative 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. Should you wish to you need to inspect the property at least 5 business days prior to Settlement on a business day between the hours of 9am – 5pm. You are allowed to only take 1 additional person with you per Buyer.

Keys

We will notify you once settlement has taken place, at which time you should contract the Real Estate Representative 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, ie occupy the property, until 12.00 pm noon on the day following settlement. That provision is intended to allow adequate time for the Seller to vacate the property.



Who should you contact to notify of Settlement?

Plus Your Settlements simply transfer the land from your name into the Buyers name at Settlement. In doing so we inform the local shire authority, Water Corporation and WA Department of Finance that you will no longer own the property post Settlement.

You will need to contact service providers, to inform the provider that you no longer own the property and wish to disconnect to their service. We have provided some examples below:

- Power providers service including, Synergy & Western Power;
- Gas providers service including Alinta Gas & Kleenheat Gas;
- Telephone service providers including Telstra & Optus;
- Internet service providers including Telstra, Optus and iinet;
- Television service providers such as Foxtel; and
- Newspaper delivery service;

We recommend that if you are moving into the property to place a re-direction on your mail, from your previous place of residence. This service can be organised directly thru Australia Post.

After Settlement

If a mortgage is to be registered on the property by your Lender, the Certificate of Title will be held by the Bank, financial institution or 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 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. Replacing the Certificate of Title is a difficult, time consuming and expensive process to replace. You might, for example, wish to make arrangements for the title to be held in a safe custody packet with your Bank. This being said we are experiencing a current trend of Buyers who wish for the Certificate of Title to issue digitally, if you wish for this to occur, please advise us.



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