

PURCHASER'S GUIDE



So, your offer has been accepted. What now?

1/ ORGANISE YOUR INSPECTIONS

These inspections are completed as soon as possible either before an offer has been made, after the Offer & Acceptance or in the cooling off period. All tradespeople will contact our agency to arrange a suitable time.

Inspections are not limited to the ones below. Other inspections may be necessary depending on the property. You can discuss this further with your solicitor/conveyancer.

- * **Pest Inspection** – We recommend a pest inspection should always be carried out on a home you intend to purchase.
- * **Building** – Building Inspections are done by qualified builders
- * **Valuation** – Your finance institution may require that a valuation be carried out on the home.

2/ LENDING INSTITUTIONS - FINANCE

Contact your lender or broker as soon as possible (if you haven't already) to organise the signing of the necessary paperwork regarding your finance.

3/ PAYING THE DEPOSIT

Depending on the terms & conditions of the contract, the deposit, usually 5% or 10% of the purchase price, is payable upon exchange of contracts. However, it can also be paid at any time prior to this.

4/ SOLICITORS OR CONVEYANCING

Make a time to see your Solicitor or Conveyancer as soon as possible to sign the contract of sale. The Solicitor/Conveyancer will check the contract terms & conditions of the purchase making sure everything is ok. Once signed, your Solicitor/Conveyancer will then exchange your signed contract with the Vendor's signed contract. Once this happens, the property is **SOLD** subject to the conditions of the contract (if any) & cooling off period. You as a buyer in NSW now have five business days cooling off period. (Unless exempt)

5/ WHEN DOES THE COOLING OFF PERIOD START?

The cooling off period starts when exchange of contracts occurs, the cooling off period is five clear business days (excluding weekends and holidays) in which the purchaser may rescind (withdraw) from the contract. If the purchaser rescinds from the contract after the cooling off has finished, they will forfeit (pay) to the Vendor 0.25% of the purchase price of the property (i.e. \$200,000 property will forfeit \$500)

6/ WHEN THERE IS NO COOLING OFF PERIOD?

- 1) If, at or before the contract is exchanged, the purchaser solicitor gives to the vendor solicitor a certificate that complies with Section 66W of the Conveyancing Act (waives the cooling off period)
- 2) If the property is sold by Public Auction or.
- 3) If the contract is exchanged on the same day as the property was offered for sale by Public auction but passed in or
- 4) If the contract is made in consequence of the exercise of an option to purchase the property, other than an option that is void under Section 66ZG of the Act.

7/ WHAT IS THE AGENT'S ROLE?

A real estate agent has a duty to sell a property for the best price, as quickly as possible. The agent **must** act in the best interest of his client, the vendor.

The agent will manage negotiations involving the sale of the property and **must** pass all offers from potential buyers to the seller.

In NSW, a sale is generally only binding on the vendor & purchaser (subject to cooling off rights) when contracts are "exchanged" between the two parties. Exchange occurs when the vendor signs their copy of the sale contract: the purchaser signs their copy, and the parties "exchange" their signed contracts.

8/ WHAT IS GAZUMPING?

Gazumping occurs when a Vendor accepts another offer on their property even though a previous offer has been accepted by the Vendor.

This is legal in NSW and can only occur prior to exchange of contracts.

An agent is legally bound to present all offers on a property prior to exchange.

"As a buyer, what should I do to avoid being gazumped?"

Seek to sign contracts & exchange the contract as soon as possible.

This is the only way to stop Gazumping.

9/ PRE-SETTLEMENT INSPECTION

As a purchaser you are encouraged to make yourself available for a pre-settlement inspection of the property. Your agent will usually contact you regarding this prior to settlement. This inspection allows you to make sure all the inclusions are present, and the property is left in the same or better condition as previous inspections. Also, to accept the property as it is. Should there be any problems with your inspection discuss these issues with your agent and solicitor/conveyancer at the time prior to settlement

10/ ON THE DAY OF SETTLEMENT

Once settlement occurs, (these days it's done electronically by PEXA) you can collect your keys & enjoy your new home.

Disclaimer: This information is provided as general information only and should not be relied upon as a substitute for the advice of a properly qualified professional legal advisor. Whilst every effort has been made to ensure the accuracy of the information, the principal of Rudy Yonson Real Estate does not accept any responsibility for the accuracy or appropriate application of any information.