



Purchaser Information Sheet

The Contract

New South Wales legislation requires that any person intending to sell a residential property must have a copy of the contract available for inspection by any prospective buyer. The contract must have attached to it a full title search, a planning certificate from the Local Council and a drainage plan. There is a penalty imposed on both the agent and the seller for failure to have a contract available when a residential property is offered for sale.

In Victoria, a Vendor's Statement (Section 32 Statement) must be given to a buyer before any contract is signed.

Exchange of contracts happens when signed copies of the contract are exchanged between the parties and the deposit is paid. A binding agreement for sale and purchase comes into effect from that day.

In New South Wales, buyers have a cooling-off period which gives a purchaser the right to cancel the contract within 5 business days of exchange of contracts. If the buyer cancels the contract under this provision, 0.25% of the purchase price is forfeited to the seller.

If the seller wants a contract which does not contain a cooling-off period, then this can be achieved by having the buyer provide on exchange a certificate from the buyer's solicitor which waives this cooling-off right.

In Victoria, there is a 3 day cooling off period from the date the seller accepts the buyer's offer. However, this cooling off right does not apply where the buyer obtains legal advice before signing the contract.

Before you sign the Contract

- Determine your budget and finance
- Inspect the property carefully
- Examine the Vendor's Statement or Contract
- Check for restrictions as to use - covenants, easements
- Check for existence of building guarantees (if applicable)
- Check the list of chattels and fixtures (if applicable)
- Check the terms and conditions of the Contract and understand what they mean
- Seek advice from your Solicitor

Fixtures are included in the sale without having to be named. Generally, a fixture is something which is nailed, screwed or bolted to the property. A buyer should carefully check what items are included: floor coverings, light fittings, dishwasher, TV antenna and the like. Some things may not be fixtures such as a free-standing dishwasher, the swimming pool equipment, free-standing shelving etc. It is wise to avoid argument and disappointment by itemising all inclusions in the Contract.

The Completion Date or settlement date is the day when the title of the property and possession are given to the buyer in exchange for the purchase money.

If a buyer fails to complete the purchase on time a seller may give written notice requiring settlement within 14 days (the buyer risks the loss of the deposit if this notice is not complied with).

Vacant Possession must be given by the vendor on the completion date. A seller is obliged to keep the property reasonably preserved, given its condition at the time of exchange of contracts and allowing for fair wear and tear. A seller should keep insurance cover on the property current until after the settlement, as any damage is at the seller's risk until then. A buyer must have insurance cover in place by the day of settlement.



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All rates on the property are apportioned between the seller and buyer as at the completion date. The parties' solicitors will attend to this when calculating the moneys to be paid by the buyer at settlement.

Our role in your purchase

- to attend upon you to obtain particulars of all relevant legal and other aspects of the proposed purchase.
- to advise you about the contents of the contract, about what investigations should be done before you enter into the contract and to assist you with those investigations.
- provide your lender with copies of title documents to assist with the finance application.
- negotiate with the vendor's solicitor any amendments to the contract and any extension of the cooling-off period in accordance with instructions.
- make or arrange for all searches, enquiries and inspections as instructed by you.
- advise you regarding the final form or making of the contract and arranging signing by you.
- ensure that the deposit is paid by exchange in accordance with the contract.
- exchange contracts.
- ensure that enquiries are complete before the cooling-off period expires and perform cooling-off right if instructed.
- arrange for any lender to prepare security documents.
- make appropriate title and other relevant searches.
- for NSW properties, arrange for stamping of contract and transfer and submit to vendor's solicitor and, if a first home buyer, prepare application for stamp duty exemption.
- submit to vendor's solicitor requisitions and transfer within the time limit allowed.
- prepare for settlement and check vendor's solicitors calculations.
- arrange for balance of settlement monies to be paid.
- liaise with your lender in settlement preparations.
- effect settlement.
- lodge title documents for registration if there is no incoming lender involved.
- forward all necessary notices of sale to appropriate authorities.



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Inspections to make

A buyer should make a number of inquiries or have inspections done of the property. These may include:

- A survey report which shows that the buildings are located inside the legal boundaries, that there are no encroachments by or upon the property and that the walls, eaves and gutters are the required distance from the boundaries.
- A pest inspection to check that the property is free of insect and fungal pests.
- A certificate from the local council which confirms that all building works are approved.
- A building inspection by a builder or architect to check if the building is free from defects.
- A plumber or electrician may inspect the property for the condition of their respective services.
- That no government authority has any proposals affecting the property for example, resumption for road widening.
- If the property is strata title, that there are no serious problems which affect the Owners Corporation or Common Property.

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