

Legitimate Solutions Legal

Buying Property in the ACT



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Special points of interest:

- Buying Property in the ACT
- Building, Pest and Compliance Reports to be in the Contract
- Potentially save thousands on stamp duty
- Whether to use the cooling off period
- When should you exchange?

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Buying in the ACT

The Civil Law (Sale of Residential Property) Act meant changes to buying property took effect from 1 July 2004. Sellers need to have a Contract in place *before* marketing the property.

Buyers benefit as the legal and building searches are on the Contract providing more disclosure information about the property.

Steps Before Exchanging Contracts

We strongly advise clients to get legal advice before signing any Contract.

If your offer is accepted the Real Estate Agent sends us the sales instructions detailing the property; seller, buyer and solicitors acting for the seller.

We get the Contract from the Lawyers for the seller, which includes various legal searches, pre sale building reports and the EER. They may also supply the draft Transfer.

We meet with you to sign the Contract for Sale and Transfer.

You provide a cheque (personal cheque is ac-

ceptable) payable to the Stakeholder or details of a deposit bond (if acceptable to the buyer) to us prior to exchange.

We confirm with you that finance is in place and we can exchange. Often banks send loan and mortgage document direct to you. If they send the documents to us and we meet with you to explain and sign the documents we will charge our usual rate.

We exchange the Contract for Sale with the solicitors for the seller and provide the deposit cheque.

The solicitors for the seller give the deposit cheque to the stakeholder (often the Real Estate Agent) to hold until settlement.

Exchange & Cooling Off Period

Exchange creates legally binding obligations. Under the Act Agents can exchange Contracts but we suggest having the Lawyers exchange the Contracts following your instructions.

The Contracts have a five day cooling off period where the Buyer can rescind or change their

mind. If you do you must pay 0.25% of the purchase price (\$250 per \$100,000).

You can waive the cooling off period if we sign a certificate as your Lawyer confirming your instructions to waive the benefit.

How can I get assistance to buy property

Simply contact Legitimate Solutions Legal to arrange to meet with a lawyer and discuss your requirements.

You can call on 6162 3003 or email on mail@legitimatesolutions.com.au



“Exchange creates legally binding obligations.”

Reports

The Building, Pest and Compliance Reports are vitally important. You should read through the Reports and have us check them closely.

The Reports should not be more than three months old.

Sellers can pass on the cost of the Building, Pest and Compliance Reports as an adjustment at settlement. The Section 75 Certificate giving details about a Body Corporate (if applicable) can also be passed on.

Insurance

You have an insurable interest in the property at exchange and should arrange for a building insurance cover note or policy to take effect at exchange.

For unit title such as townhouses the Body Corporate arranges the building insurance.

Auctions

Auctions are a little different with no cooling off period for registered bidders that bought at auction or after the auction but on the same day as the auction.

Buying at auction as a registered bidder or after but on the day of the auction results in a binding exchange on that day.

“You have an insurable interest in the property at exchange...”

Stamp Duty and the First Home Owners' Grant

There are ACT stamp duty concessions available. First home buyers, people that haven't owned property for two years and those who transferred property due to Family Law Orders may benefit.

The concession depends on the price of the property and is means tested. We can provide information about making application.

“You could save thousands of dollars in stamp duty.”

You could save thousands of dollars in stamp duty.

Your Bank or Mortgage Broker usually assist with the First Home Owners' Grant.

After Exchange

We advise you of the stamp duty payable and you provide a **bank** cheque (can not be a personal cheque) payable to the ACT Revenue office.

The solicitors for the seller provide settlement figures adjusting the general rates, land tax (for investment properties) and water and sewerage rates. They also include their cheque directions regarding what cheques they require to pay out their bank etc.

We have the Transfer stamped at ACT Revenue and provide it to the solicitors for the seller to have their clients sign.

We advise the incoming mortgagee (your bank) of the purchase details and tell them

“We attend to settlement.”

Settlement

Settlement is scheduled to take place. We attend to settlement. We collect cheques from your bank, provide them to the solicitors for the seller, provide the solicitors for the seller with an order on the agent to release the deposit, receive the Certificate of Title and Transfer and provide these to your bank and receive the keys to the property.

If the property is sold subject to a tenancy we receive a letter transferring the bond to you.

Your bank will register the Transfer and their Mortgage over the property at the Land Titles Office.

The Agent provides the keys to you or we pass them over after settlement.

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