

## A GUIDE TO BUYING RESIDENTIAL PROPERTY IN NEW SOUTH WALES

The process of purchasing a property might be daunting but we have the experience to make it easy for you. We are registered members of PEXA, meaning we can, in many cases, complete the entire transaction online. There are many benefits to using PEXA and we can discuss these with you if your purchase is eligible.

*The purchase of a property can be broken into 4 steps.*

### 1. INSPECTION, NEGOTIATION & SIGNING

Once you have inspected the property, you can make an offer. You are not initially bound by the offer you make. You can simply offer a purchase amount or be more specific on things such as the deposit you are prepared to pay, other conditions you may require or whether you would like to arrange a pest and building inspection.

If your offer is accepted, the real estate agent sends a sales advice to us that provides your and the seller's details. We will request the draft Contract from the seller's solicitor or conveyancer and make an appointment to meet with you to discuss it.

This gives us the opportunity to advise you on your obligations under the Contract and we can negotiate any special conditions which were not already agreed to. We tell you how the transaction will happen.

There may be complex special conditions if you are buying a block of land in a subdivision that is yet to be constructed. We can guide you through these conditions and advise you on issues such as sunset clauses and the time for completion.

*When buying property, employing the right solicitor in the beginning should save you money in the long run.*

*Before deciding to buy or build, shop around for a home loan.*

We get in touch with your lender and give them the extra information they need to give you unconditional finance approval.

After calculating the amount payable to the Office of State Revenue for stamp duty, we will investigate any concessions or exemptions that you might be entitled to receive and advise you of any obligations that attach to those concessions or exemptions.

If you are buying a property with another person, we can help you decide how you should own the property. There are two ways to hold the property, either as Joint Tenants or Tenants in Common.

It is usually too late to make changes to the Contract once it has been exchanged. It is important to understand that the law treats contracts seriously and you should ensure you receive legal advice before signing on the dotted line. Remember, until signed Contracts are exchanged, there is generally no binding relationship between you and the seller. That means they can accept other offers until then, so it is important you get prompt advice.



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## 2. EXCHANGE & THE LEAD UP TO SETTLEMENT

Once you have completed all the pre-purchase inspections, are happy with the final Contract terms and have your finance unconditionally approved, Contracts can be exchanged. This means the Contracts are binding on both you and the seller (sometimes subject to certain special conditions).

You will need to pay the deposit to the real estate agent when Contracts are exchanged. The deposit amount is usually 10% of the purchase price but we can discuss other available options with you.

It is at this stage you should sign your mortgage documents with your lender and arrange insurance. In NSW, the risk passes to you on settlement so it is important you have insurance in place. Your lender will often require proof of this prior to them advancing the funds to you.

We will verify your identity as required by the Land & Property Information (LPI) and the Office of State Revenue.

Close to settlement, we order the pre-settlement searches, review the results and report back to you. If anything is out of the ordinary, we will let you know and provide you with advice on how to best proceed.

It is our job to prepare the land title transfer forms and communicate with the seller's solicitor in relation to requisitions on title and the settlement documents. We adjust Council rates from the date of settlement and tell your lender when settlement will be and what cheques need to be drawn. We will tell you if there is a shortfall on your loan advance and get you to provide the difference to us.

We will remind you to pay the stamp duty that is due and stamp the Contract and Transfer on your behalf.

It is your job to complete your final inspection just before settlement to ensure the property has been left in a satisfactory condition. We will tell you when settlement is scheduled to take place, so you can make arrangements to collect the keys from the real estate agent.

*Unless you request special conditions in the Contract, you generally buy a property in the condition as first inspected.*

## 3. SETTLEMENT DAY

We will contact you to check that you have completed your final inspection. You should tell us if you have any concerns. We then complete a final search to ensure the title particulars have not changed and attend settlement on your behalf.

Once settlement has been effected, we will let you and the agent know so you can get access to the property.

## 4. AFTER SETTLEMENT

If you have borrowed money from the bank, the lender will send the title documents for registration. If you haven't borrowed money, we will do this on your behalf. We will notify the relevant authorities of the change in ownership which is followed up by confirmation of the change from the LPI.

Once the title has been transferred to your name, you will be shown as the owner. If you have taken out a mortgage, your lender will hold the original Certificate of Title. If you haven't, we can safely store the Certificate of Title on your behalf at no additional cost.

Once you have celebrated your successful purchase, we recommend that you review your estate planning. We can assist you with all aspects of your legal affairs, including Wills, Enduring Powers of Attorney and Enduring Guardianship documents.

*Electronic Certificates of Title (eCT) have been issued since October 2013, meaning you may not receive a paper Certificate of Title. One of the benefits is increased security against fraud.*

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