

SETTLE PETAL

the complete guide to property settlement



Bourkes

Congratulations!

You've signed your Offer & Acceptance.

So what happens now? This guide will take you through all the next steps and give you an idea of what to expect before your big move.

STEP 1 / OFFER & ACCEPTANCE

The *Offer and Acceptance* is a binding agreement between the buyer and seller. The sale will take place once certain conditions are met, e.g. Subject to finance approval.

As a component of the Offer and Acceptance, there is a form called *'Joint Form of General Conditions For The Sale of Land'*. These are effectively the rules under which property is sold in Western Australia. If you were not provided with this form, please ask your sales representative for one.

These conditions state the agent's role as stakeholder for the deposit money. They also cover which penalties are charged to either party if they delay settlement. If three days after the agreed settlement date, the settlement has not occurred, then penalty interest of 9% p.a. may be charged on a daily balance to the offending party.

STEP 2 / BALANCE OF DEPOSIT

This condition must be strictly adhered to. If the offer says 'an initial deposit of \$2,000 and a further \$3,000 within three days', the \$3,000 must be paid to the seller's agent by the due date, otherwise the buyer is in breach of the contract.

STEP 3 / FINANCE APPROVALS

The buyer applies to their chosen finance company, bank or broker for funds.

The buyer must organise funds of the amount specified within the time frame nominated in the Offer and Acceptance.

If funds are not organised in time, the buyer can apply for a Variation to Contract to request more time from the seller.

If the seller does not agree, the contract ends and all deposit funds are refunded to the buyer.

If the buyer is unable to obtain finance, they must provide a letter from their bank or broker, stating funds were unable to be provided from the lender.

The buyer must use their best endeavours to obtain the loan, otherwise they can be in default under the contract.

STEP 4 / SETTLEMENT AGENCY

Most settlement agents receive instructions from the selling real estate agent. We get these details from the back of the Offer and Acceptance form. Settlement agents generally wait until finance has been approved before they start preparation of the legal forms and prepare the transfer documents.

The settlement agent will:

- Write to the sellers/buyers to thank them for their instructions to act
- Search the Certificate of Title for the property
- Write to the seller's mortgagee and ask for a payout figure, which will be deducted from the sale proceeds
- Write to the relevant authorities (council, water, land tax) so they can apportion the annual rates and taxes as at settlement date and change of ownership
- Calculate stamp duty and charges for the buyer
- Calculate commission and charges for the seller
- Prepare settlement statements for both seller and buyer
- Prepare the 'Transfer of Land' document which transfers the ownership into the buyer's name
- Arrange for the seller's and buyer's mortgagees to attend settlement
- Attend settlement on your behalf

Continue over the page >

- Collect balance of funds from the buyer
- Lodge documents, arrange final disbursement to seller
- Arrange for Certificate of Title to be issued to buyer in the case of a cash transaction; or to first mortgagee, if funds were borrowed.

STEP 5 / THE COSTS OF BUYING

At the time of buying, there may be additional costs you need to make an allowance. Some of these may be:

- Stamp duty and transfer document fees
- Settlement agency fee
- Searches/sundries
- Legal fees for preparation of mortgage
- Stamp duty and registration fees on the mortgage document
- Mortgage insurance
- Adjustment of rates & taxes
- Loan application, approval and valuation

If you'd like to know more about these costs, please talk to your settlement agency, bank or us, your real estate agent.

STEP 6 / SETTLEMENT STATEMENT

The settlement agent prepares the settlement statement (excluding finance costs). This will show the purchase price plus any costs less your deposit and show the balance of funds left to be paid prior to settlement. This statement will detail many of the above costs.

STEP 7 / TRANSFER OF LAND FORM

This document transfers ownership from the seller's name into the buyer's name.

It is first sent to the buyer to sign and then returned to the settlement agency to forward to the seller to sign. It is then collated together with the Offer and Acceptance form and a cheque for stamp duty to the State Tax Office by the settlement agent. The Offer and Acceptance is stamped and the stamp duty paid. The transfer is then lodged with Landgate at settlement, for them to change the original title.

STEP 8 / BALANCE OF SETTLEMENT

The amount shown on the settlement statement should be paid by bank cheque to your settlement agent 7 days before settlement.

STEP 9 / SETTLEMENT DAY

On settlement day, a virtual meeting takes place between the settlement agents/lawyers and the incoming and outgoing mortgagees (the financiers) to settle the account.

You don't need to attend this meeting. Titles are exchanged for bank cheques and the documents lodged at Landgate.

STEP 10 / NOTIFYING SERVICES

Before settlement, it is the responsibility of the buyer to arrange the transfer of services and utilities, such as gas, electricity and phone lines into their own name.

You should arrange for your house and contents insurance to take effect from the possession date or 12 noon on the day after settlement (whichever is earlier).

Sellers should keep insurance policies on the property valid until 12 noon on the day after settlement.

Please also see notes over the page about the **Move Me In service.*

STEP 11 / MOVING OUT / MOVING IN

The seller is allowed to occupy the premises until 12 noon on the day following settlement, if they live in the home. Arrangements can be made through your real estate agent for keys and occupation.

STEP 12 / CERTIFICATE OF TITLE

A copy of the new freehold title will be delivered to you. If you have paid cash; otherwise it is held by the first mortgagee as security.

STEP 13 / GLASSES, PLEASE!

It's time for some bubbly! From all of us at Bourkes, we wish you all the best for this new phase of your life. Remember, if you have any queries, we're only a phone call away on 9474 2000.



YOUR MOVING CHECKLIST /

Don't forget to advise these organisations of your change of address.

- ✓ Electoral Roll
- ✓ Post Office
- ✓ Synergy / Alinta Gas
- ✓ Your phone carrier (E.g. Optus, Telstra)
- ✓ Department of Transport
- ✓ Relevant Government Depts
- ✓ Doctors and Schools
- ✓ Accountants and Solicitors
- ✓ Social Clubs
- ✓ Banks
- ✓ Insurance Companies
- ✓ Medicare
- ✓ Workplace

CONNECTING YOUR UTILITIES



It is very important prior to moving into your new property that you connect electricity and gas in your name. We have partnered with Move Me In who will contact you and arrange for the services you require. This is at no cost to you. **You can contact their support team on 1300 911 947 or support@movemein.com.au**



272 Canning Highway, Como | Call 9474 2000
sales | property management | auctions | projects
bourkes.com.au