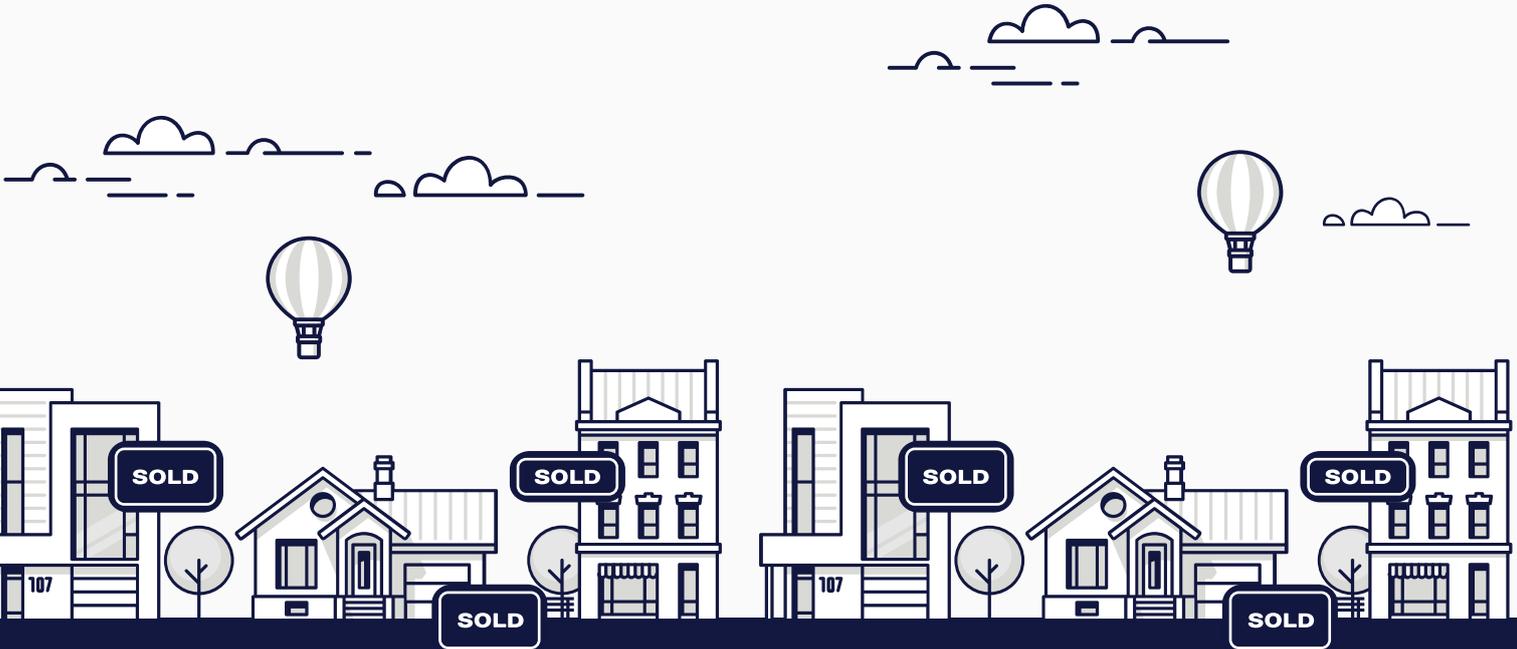




# Your Handy Buyer's Guide



## It's all part of the **property journey**

Tim and Susie want to buy a house.

They gather their savings together, get pre-approval for a loan, and then immediately begin searching real estate websites.

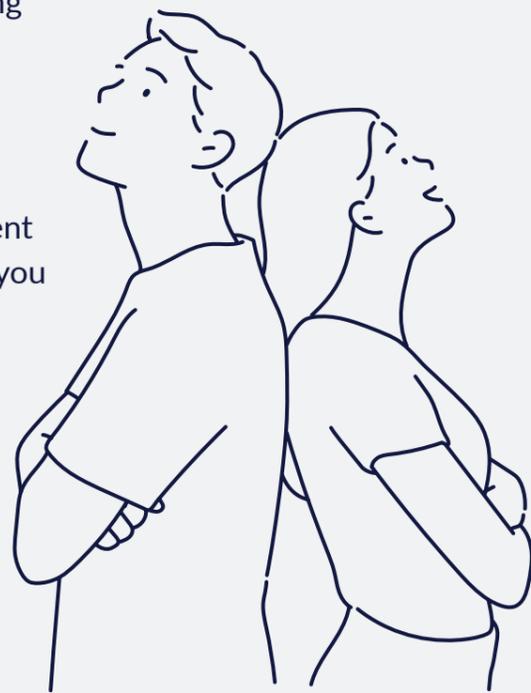
They spend weeks looking at houses in their favourite suburbs, trying to find something with just the right features, character, and floorplan – while also trying to stay under budget.

Finally, they find it - their dream home!

They go to an open-house inspection, look through all the rooms with a measuring tape in hand, and then spend some time chatting with the agent. They think it's perfect – and they decide to take the next steps. They submit an offer, finalise their mortgage approval with their lender, and sign the contract of sale. Before long, they are packing boxes, collecting their new house keys, and moving into their new home.

But what happens in between them finding their ideal property and then actually reaching settlement day? What's involved in the process and what do you need to know?

Read on, you're about to find out.



## What's in this guide?

We're here to help make the next steps in your property journey as clear as possible.

Here's an overview of the property buying process in Queensland and New South Wales.

We'll explain each of these steps in this guide.

### Your Property Journey

- 04 ● Engage a conveyancing team
- 05 ● Building and pest inspection
- 06 ● Get a contract review
- 07 ● Cooling off period
- 08 ● Conveyancing starter pack
- 09 ● Complete due diligence enquiries (searches)
- 10 ● Pre-settlement inspection
- 11 ○ Settlement

This is a guide only, is not legal advice and is not tailored to meet your individual needs. The information in this guide is for buyers of properties located in Queensland or New South Wales and may not be relevant or accurate in relation to the conveyancing process in other states and territories. If you have any questions about the conveyancing process or the information in this guide, you should seek specialist advice.

## Arrange your conveyancing

Conveyancing makes buying property **possible**

So, you've decided to buy a house. That's great! You're starting out on an exciting and rewarding journey. But like many other Australians, buying a home for the first time may feel daunting. There are new words to learn, documents you've never seen before that you need to understand and sign, plus you're dealing with a lot of money. Altogether, it's probably one of the most significant transactions you've ever managed!

But the good news is, you don't have to do it alone.

### When should you engage a conveyancer?

You should connect with your chosen conveyancing team when you know which house you want to buy. Long before that happens, you would have saved for a deposit, confirmed pre-approval for a loan with your chosen lender, searched for properties, and then visited the ones that matched your budget and your needs. When you are serious about buying the property you've chosen, that's when it's the right time to connect with an experienced, reliable conveyancing team.

### What does conveyancing involve?

Simply put, **conveyancing is all the legal and administrative work that makes buying property possible**. To transfer ownership of a house from one person to another requires a lot of documents, contracts, administration, and legal work.

This is what conveyancing is.

From a contract review, to searches, and reaching settlement - conveyancing is all the essential behind-the-scenes work that makes buying property official.

For an experienced and trusted conveyancer, contact [Conveyancing.com.au](https://www.conveyancing.com.au) today.



### Destination: Home

Buying a property is a bit like planning a big holiday. They're both important decisions with an exciting goal. But for each to become a reality, quite a lot needs to happen, including planning, logistics, preparation, expenses, emails, packing, transportation, schedules, budgeting, negotiations, and documents. (Phew!)

The list is long but it's well worth the effort when you arrive at your destination - whether it's sipping a cocktail by the pool, camping on the side of a mountain, or moving into a new home. To help all the behind-the-scenes organisation of your holiday happen smoothly, travel agents are amazing, but some people still manage it all without them. When it comes to making your property purchase happen, conveyancing is essential - and the only way to manage your property transaction legally.

## Building and Pest Inspection

A building and pest inspection could **save you** from buying a dud house

To help you make an informed decision on the house you want to buy, you'll need to get a building and pest inspection. This is the property equivalent of having a car examined by a mechanic. No matter how nice the property looked at the open house, a building and pest inspection will go deeper and tell you about its condition.

### What is a building and pest inspection?

A building and pest inspection is a visual assessment of a property by a qualified and experienced expert. An independent, third-party inspection company will go over the property and look for signs of structural damage, trapped moisture, or pests like termites. You'll be given a full report, with supporting images that inform you of any significant issues or potential problem areas identified by the inspector.

**A building and pest inspection can also help you negotiate on price! You can refer to any defects when attempting to negotiate a better price.**

A building and pest report will help you understand the condition of the house and provide details that can give you an idea of the repairs needed, or other tradespeople or experts you may need to engage. If you wish to make the contract subject to a pest and building inspection, it is important that this is nominated in the contract. The contract will set a date (or number of days) when these inspections must be completed by.

### Why is it important?

A building and pest inspection is important for two main reasons:

#### 1. It helps you know what you're buying

No matter how nice a house looks, there could be potential problems lurking. For example, termites could be eating through the walls, which can be a nightmare to deal with. An experienced and qualified building and pest inspector will carry the latest technology, which could help discover a variety of potential problems.

#### 2. It could save you from buying the wrong house

If an inspector does find problems with the property, it could save you from making a bad investment decision. Or, if you've already signed a contract, it could be grounds for breaking it. Instead of going ahead with the sale and finding pests or other problems down the line - when potentially costly damage may have been done - a building and pest inspection before you negotiate gives you the facts when you need them most. If the contract is 'subject to building and pest inspection' and the house turns out to be unsound, you could be within your rights to break the contract.

Contact [Rapid Building Inspections](https://www.rapidbuildinginspections.com.au) today for a fast, thorough, and affordable inspection.

### When should you get an inspection?

A building inspection helps you decide if the property is worth buying. So, the best times to book one are:

- Before entering a contract
- During the nominated inspection period set out in the contract

If the inspection reveals any serious damage or problems, it's better to know about them sooner, rather than later.

## Contract Review

It's one of the **most important things** you can do when buying a house

It's important to get the contract reviewed. Among other things, the contract sets out the terms of the sale, the details of the property, and the conditions you're agreeing to. If you sign a contract without checking it carefully, you could be legally bound to everything it says – even if it's not in your best interest.

### What is a contract review?

A contract review means having a professional look over the contract to make sure it's fair and represents your interests. They can look out for anything important that is missing or if there are unusual conditions you should know about. They can also help negotiate any amendments to the contract if they're needed.

### Why is it so important?

It sets out the terms of the sale

The contract also sets out the price and important dates, and when settlement is due. Two of the most common conditions to look for in the contract are:

- Subject to a building and pest inspection
- Subject to finance

If these conditions aren't nominated in the contract and you find something seriously wrong with the house, you may not be able to pull out of the deal. Or worse, if you're denied a loan and you can't go through with the purchase, you may still have to pay the deposit (which could be 10% of the total price). These situations are terrible, but they're also completely avoidable, with an experienced conveyancing team ensuring appropriate conditions are outlined in the contract for your protection. It's also important to realise that state-specific legislation does vary, depending on the location of the property.



If you do wish to include the "Subject to finance" and "Subject to a building and pest inspection" conditions, as mentioned on the previous page, in the contract, these options must be checked for them to legally apply to a contract in Queensland.

In New South Wales, these finance-related and building and pest inspection-related conditions aren't standard conditions and must be added for them to legally apply to a contract.

## Cooling-off period

Before the end of your **cooling-off period**, a lot of things need to happen

You've probably heard the phrase 'cooling-off period' before, but what does it actually mean? It works a bit like a safety net. The cooling-off period is your opportunity to make sure everything is in order with the sale. You've had a lot to think about in the lead-up to buying a house, and the property market can move quickly. You might have put an offer in straight away so that you wouldn't miss out on your dream home. But now that you've exchanged contracts and paid the deposit, you have a period of 5 business days to make sure you're happy with your decision.

### What do you need to check for during the cooling-off period?

Your conveyancing team will work to make sure that important details are included in the contract. You should use your cooling-off period to raise any questions or concerns you have about the contract or the property.

A cooling-off period of five (5) business days applies to contracts for the sale of residential property. In Queensland, it will start the day the buyer receives a copy of the contract (signed by both parties). In NSW, it will start the day that the contract has been exchanged. In both states, it ends at 5pm on the final (5th) day of the cooling-off period.

### Life is full of changes

It's also possible that, during the cooling-off period, your life situation changes. Your financial position could change, or a property you liked more may become available – things like this might make you want to change your mind. The cooling-off period is your opportunity to withdraw from the deal.

If you decide to exercise your cooling-off rights and get out of the contract, you need to let your conveyancer know as soon as possible. A penalty equal to 0.25% of the agreed purchase price will apply if you pull out of the contract.

Once the cooling-off period is over, subject to any other conditional terms (such as inspections or finance), you should have everything in place to continue with the sale.

Congratulations, you're on your way to owning your home!

### How do I get a contract review?

Here's the good news: it's easy. If you engage Conveyancing.com.au as your chosen conveyancing team, you can submit any residential contract for review online. You can even submit multiple contracts if you're looking at a few different properties. A member of their conveyancing team may be in touch to gather some more information about your situation and priorities. From there, the contract will be reviewed and emailed back to you.

#### Special offer!

If you need more than one contract reviewed by Conveyancing.com.au, you can claim 20% off the second, 30% off the third and 40% off any additional contract reviews!\*

\*To be eligible for this offer, you must have engaged Conveyancing.com.au Pty Ltd for a **contract review only** service prior - and not been successful with the property transaction connected to that contract review. Discounts on the second, third, fourth, and any subsequent contract reviews are also only available in relation to contract reviews that are requested immediately after you engaged Conveyancing.com.au Pty Ltd for a **contract review service only**, and were not successful with the property transaction connected to that property review. The discount amount may vary, depending on the volume of contract reviews previously conducted by Conveyancing.com.au. **The maximum discount available on any such subsequent contract review is 40 per cent.** Discounts are applied to standard conveyancing prices and cannot be used in conjunction with any other offer or promotion. **Discounts do not apply to Conveyancing.com.au Transfers service.** Discounts are subject to change. **Discounts and offers only available in relation to residential properties.**

# Conveyancing Starter Pack

Let's get started on making your **dream home** a reality

If you choose Conveyancing.com.au as your conveyancing company, you'll receive a link to their easy-to-complete interactive webform.

## What does the webform include?

Conveyancing.com.au's webform will help you get started and includes:

- details of their appointment terms, costs disclosure and privacy policy
- documents that you need to sign
- important questions for you to answer

## What will my conveyancing team be doing?

The short answer is: a lot! Once Conveyancing.com.au have permission to represent you, their experienced, reliable conveyancing team can get started on all the work that needs to be done.

## What do I need to do?

There are certain things your conveyancing team can't do for you. This is because you're the one becoming the legal owner of a property, so you'll need to understand and sign some specific documents.

One of the tasks you need to complete at this stage is verification of your identity (VOI). VOI is now a legal requirement for all parties involved in land transactions across Australia. The webform will guide you to complete your VOI through LiveSign, a digital verification of identity platform.

If you have any questions, the Conveyancing.com.au team will be happy to help.

### Did you know?

Signing documents electronically makes some steps in the conveyancing process quicker and easier.



# Due Diligence Enquiries

Don't get left with the **seller's debt**

Once your purchase is underway, your conveyancing team will be doing a lot of work in the background, such as 'searches', to make sure everything comes together. One of the most important things they'll do at this time is to check if there is any debt connected to the property. If they don't, then you may have to pay whatever is owed on the property since you're the new legal owner.

## What debts can a property have?

Buying a property means taking responsibility for everything associated with that piece of land. This includes the house, utilities, council and water rates, taxes and more. So, when you're buying, you need to make sure that everything is settled with the previous owner. Here are some of the things they'll check:

### What are 'searches'?

Searches are enquiries made with local councils and authorities to gather official details about a property on your behalf.

Depending on the location of the property, you may require different searches. This means the cost can vary, depending on the location of the property you want to buy.

### • Water rates

Has the seller paid the water bill up until the date when you take ownership of the property? Your conveyancing team will make sure the water authority is notified of the sale so they can update any required billing.

### • Body corporate levies and council rates

Every property owes annual fees, such as to a local council and, if you're buying an apartment, body corporate fees. If the previous owner is behind on these payments, they may be transferred to you. Your conveyancing team will make sure that you're not taking on this unnecessary debt.

### • Debts against the property

If the previous owner has unpaid debts, they can sometimes be attached to the property as a form of security. These are sometimes called liens. The debt could exist because of unpaid construction costs, unpaid taxes, or if they have had a legal case brought against them and owe a large amount of money. Your conveyancing team will check for these and make sure the sale is able to go ahead.

It's just another way that thorough conveyancing helps ensure that your property journey is as safe and smooth as possible.

### Adjustments

Your conveyancing team will work with the seller's representative to make sure that everyone pays their fair share of the property costs. This is set out in a document called the Statement of Adjustments.

## Pre-settlement inspection

Make sure everything is **just right!**

Towards the end of the buying process, it's a great idea to do a pre-settlement inspection. This is different from a building and pest inspection because it's not carried out by an expert – it's carried out by you! It's your opportunity to view the property one last time before you move in, and to make sure the house is just as you expected.

### What to look for during a pre-settlement inspection?

#### 1. Repairs have been made

It's common that the house you want to buy might have some maintenance issues. You might have asked the seller to fix a cupboard, seal a crack in the wall, or mend some lights. Now is your chance to make sure all those repairs have been made.

#### 2. No new damage

A lot can happen to a house between when you first make an offer and settlement. The previous owner might have thrown a moving-out party, or damaged the walls when moving their furniture out. Look carefully for any new damage that has occurred since your initial inspection of the property. If that damage has occurred because of carelessness by the seller, they may be liable to fix it. The property must be in the same condition as it was in when you signed the contract.

#### 3. Inclusions and exclusions

When you buy a property, there are some parts of the home that you want to be included in the sale. For example, you may love the curtains in the main bedroom – and you may have specifically asked the seller to leave them as part of the sale. Your pre-settlement inspection is when you can make sure that all the inclusions both parties agreed to are still there. Plus, anything you asked the owner to remove from the house (known as 'exclusions') should be gone by this stage.



### When do you do a pre-settlement inspection?

The best time to do your pre-settlement inspection is as close as possible to settlement – preferably that day. Inspecting the property in the morning means that, if you do discover any substantial issues, you can address it before the scheduled settlement when the sale is finalised.

If you are unsure of anything, take photos and send these through to your conveyancing team. They can advise you on your rights, but it's important to remember that not every issue can be resolved and, if you discover new issues that you missed before, it may be too late to have these fixed.

## Settlement

Where everything comes **together**

Settlement is the day you've been waiting for. You might not have heard the word many times before now, but trust us, this is your big moment. Settlement is the finalisation of the sale. This is your 'signed, sealed, delivered' moment. After settlement, you will officially become the legal owner of your new home! So, make sure the champagne is on ice and we'll run you through what you can expect.

### When is it?

The date for settlement is agreed on and set out in the contract between you and the seller. This amount of time allows for all the legal work to be done before your purchase can be finalised (outlined in the guide above).

### What happens?

The final steps of the sale happen on settlement day. These include:

#### • Transferring Money

By the settlement date, your lender should be ready to pay the balance of the purchase price to the seller on your behalf. Your conveyancing team will speak with your lender to make sure they're ready to provide the amount required.

#### • Transferring Titles

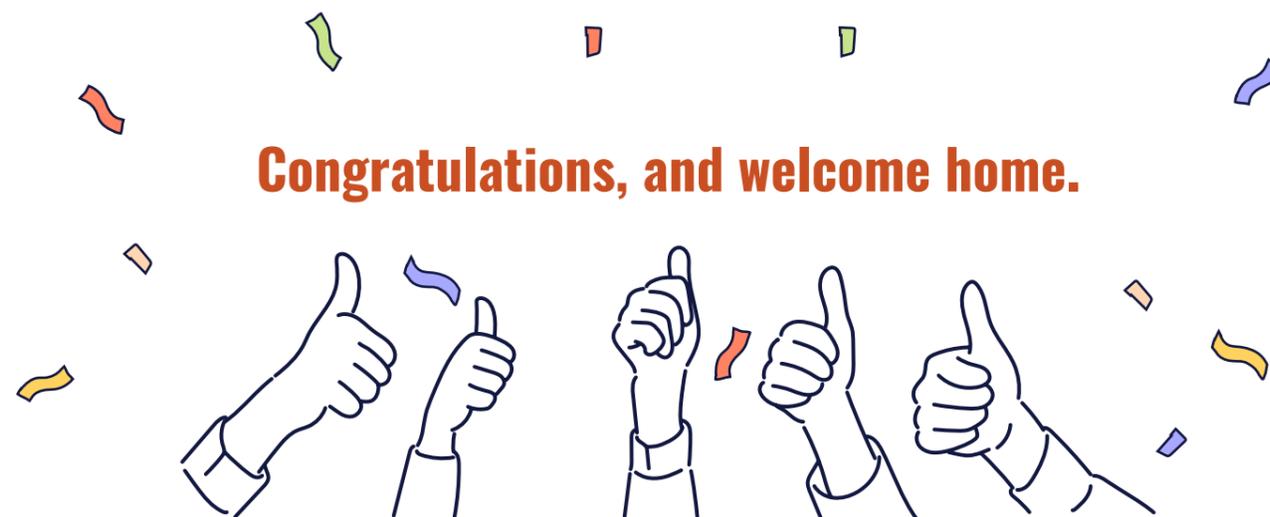
Settlement day is when the transfer documents are finalised and signed off to make you the new legal owner. Your conveyancing team will check these and make sure they are ready to be lodged with the land titles office.

### What do I need to do?

The good news is you don't have to do much at all. Your conveyancing team will handle all the details for you. Get in touch with the agent and make arrangements to collect the keys once settlement goes through. Then you will be ready to move into your new home, pop the bubbly and start planning a housewarming party to celebrate.



**Congratulations, and welcome home.**



# Helpful Resources

Allow us to make things a little **easier**

Every property journey is different.

Your story has all sorts of details that are specific to you. The kind of house you want to buy, the must-haves you're looking for, plus there will be parts of the buying process that you understand better than others – and that's ok.

It makes sense that the kind of support you need is unique too. We understand that every transaction is different and the steps to get you from here to home are different too. We wanted to share two helpful resources to help you stay on top of your task, no matter what stage you're up to.



For an overview of the whole process



Tick off your tasks one by one



# How much does it cost to buy a house?

Costs you need to budget for, so you don't get caught off guard

For the average Australian, property is a significant investment. But it's more than just the price of the house you need to budget for. Look at the costs below and make sure you're prepared. It can be daunting to think about, but a cost you're prepared for is a lot better than one that catches you by surprise. If you're ready for these expenses then, good news, you're financially ready to buy a house.

Use the boxes below to enter an estimate of your expenses and keep track of the total amount you need.

## Deposit

The biggest upfront cost is the deposit. You'll need to have a percentage of the house price – usually 10% – ready when you sign the contract. Based on the [national median property value](#) of \$752,110\*, that's around \$75,000. \*According to data from 30 June 2022

\$

## Mortgage

The rest of the property is usually bought with a mortgage from the bank. This means you need to have financial approval for the remaining price of the property. Based on the national median value mentioned above, this could be, approximately, a further \$675,000. But, of course, these amounts can be lower or much higher, depending on the house you're buying and your personal circumstances, such as whether you require Lender's Mortgage Insurance (LMI). Speak to your bank or broker for more information.

\$

## Transfer duty

When you buy a property, the state government will charge you a one-off tax called transfer duty (or stamp duty). The exact amount is determined by the price of the house you're buying. On average, buyers spend tens of thousands of dollars in transfer duty. In Queensland, it needs to be paid within 30 days of assessment, but we recommend that you pay your stamp duty on settlement. In NSW, it needs to be paid before settlement can take place. If you are a first home buyer, you may be eligible for a concession or exemption. Speak to your conveyancing team to find out more.

\$

## Conveyancing

For your contract review, searches, and legal services that must happen to reach settlement, you'll need an experienced conveyancing team. The price of searches can vary, based on the location of the property you are buying. Conveyancing fees range from a few hundred dollars to a couple of thousand, depending on your needs and the company you choose.

\$

## Building and Pest Inspection

Budgeting for a building and pest inspection is also important. These inspections are usually completed within the time allowed for in the contract.

\$

## Loan application fees

When you apply for a new loan or want to change a loan you already have, you may have to pay a loan application fee. The amount payable usually depends on your lender and the type of loan you are taking out. There may be reduced fee options available. Speak to your lender and ask for information on any fees you might incur to establish a loan.

\$

## Moving costs

To get you into your new house, you'll most likely need to book a removalist. Make sure you've budgeted for the time and money you need to move into your new home. Ask what flexibility arrangements are available if your settlement is delayed.

\$

## Council rates or body corporate fees

Depending on if you buy a house or an apartment, you will usually either have to pay council rates and/or body corporate fees. Council rates are an annual fee that include costs like stormwater charges and domestic waste. Body corporate rates apply in most strata or unit title schemes and contribute to the management and upkeep of any common property owned by the body corporate.

\$

## Home and contents insurance

It's so important to make sure your house is insured. In Queensland, the risk for insurance passes to you at 5:00pm on the first business day after the contract date. In NSW, the risk for insurance passes to you on settlement. Speak to your insurer about the product that is right for you. There are a lot of things to consider when you're buying a home, but make sure that you're prepared to take out insurance. That way, you'll be better protected.

\$

## Repairs

Before it's ready for you to move into, your new home may require some maintenance and repairs. These could be recommendations from your building inspection, or just some odds and ends that need to get done. Make sure you budget for maintenance as you prepare to move in.

\$

**Total**

\$

## Now for some good news!

### Grants and exemptions for Queensland property buyers

#### 1. First Home Buyer's Grant

The Queensland government offers [grants](#) to eligible new home buyers. Read more here.

#### 2. Stamp Duty Exemptions

You may be eligible to pay a reduced rate of transfer duty or, in certain transactions, pay nothing at all. As these schemes and concessions change regularly, we recommend that you visit the [Queensland Revenue Office website](#) to read about any current transfer duty concessions and exemptions you may be eligible for.

### Grants and exemptions for New South Wales property buyers

#### 1. First Home Buyer's Grant

The New South Wales government offers [grants](#) to eligible new home buyers. Read more here.

#### 2. Stamp Duty Exemptions

You may be eligible to pay a reduced rate of stamp duty or, in certain transactions, pay nothing at all. As these schemes and concessions change regularly, we recommend that you visit the [Revenue NSW website](#) to read about any current stamp duty concessions and exemptions you may be eligible for.

**offertoown**