



GET MOVING



Making an offer and signing a contract

You've finally found a house you love – so, how do you buy it? There are lots of new terms and concepts to come to grips with when you decide to buy a property, so here's some general information that should make you feel more comfortable when the time comes to make an offer and sign a contract.

Roberts
real estate

Before you make an offer on a property you might like to speak to Roberts Home Finance to help you to decide how much you can afford.

The extra costs

As well as the purchase price, there are some extra costs you'll need to allow for, including the cost of using a solicitor or conveyancer to handle the legal side of your purchase, and government stamp duty charges. If you need to borrow money, your lender will generally require:

- a loan application fee
- a professional valuation of the property you're buying
- mortgage insurance (if you're borrowing a high proportion of the property price).

While government fees are fixed, solicitors and lending institutions vary in what they charge. It's a good idea to shop around for the best deal. Your Roberts consultant can give you some advice about who is currently offering good service. Roberts Home Finance can also help.

Engage a solicitor

You should engage a solicitor to handle the legal side of the purchase (the conveyancing) for you. The requirements for transferring a property's title into your name are quite complicated, particularly if you are borrowing money to complete the sale.

Tell your solicitor what you plan to do and ask if they have any advice about making an offer and signing a contract.

Making an offer and signing a contract

If you decide you want to buy a property, the sales consultant will invite you to fill out a contract. A contract is a legal document that details how much you are willing to pay for a property and any 'conditions' that must be satisfied before you will buy.

Conditions on a contract can include things like:

- A building inspection. You might decide that you want a qualified builder to inspect the property to make sure it is structurally sound.
- Selling your home first. Many people have to sell their own property before they can afford to buy a new one.
- Finance approval. Many people need to borrow money to pay for the new property, and a bank or credit union must agree to lend you the money.

I've signed the contract – what's next?

The sales consultant will present your offer to the owner, or 'vendor'. They might wish to negotiate with you for a higher price, or add their own conditions before they sign the contract. The contract can move back and forth between you and the vendor several times (via the consultant) until everyone is happy with the terms.

Be prepared to act quickly when making your offer as the vendor may accept offers from other potential buyers who sign their contract before you do, offer a higher price or have fewer conditions (for instance, they might not have to sell their own home first).

When you and the vendor both sign the contract it becomes legally binding and the 'deal' is effectively made.

After the contract is signed

The consultant will send a copy of the contract to your solicitor.

The solicitor will do everything necessary to make sure that transfer of the property's title to you runs smoothly. They'll check that the owners are legally able to sell their property, that there are no outstanding charges that you could be burdened with, handle all the council requirements, and so on. Then they'll coordinate the settlement and collect the money from you (or the bank) to pay the vendor, the legal costs and other charges.

You'll need to do the following things:

Pay the deposit

You'll be required to pay a deposit to the real estate company, who acts as a stakeholder for both parties and holds the money in trust. The amount of the deposit is negotiable, and can be as little as \$1000 or as much as 10 per cent of the price of the property. Your deposit is refunded if the contract does not proceed for any reason, unless through your own default.

Organise insurance

You'll need to organise insurance cover for the property, even though you haven't moved in yet. Call your insurance company and tell them you've bought a new property. Roberts has an insurance brokerage service; we can organise insurance cover for you.

Arrange your finance

Arrange your finance with your lender. Your solicitor and lender will work together to make sure the money is ready for transfer to the vendor at the time of settlement. 'Settlement' happens when all the conditions of the contract have been met by both parties. Roberts Home Finance can help you here.

Ensure all conditions on the contract are met

You must now set to work on satisfying any conditions you might have asked for: the building inspection, or selling your own property, for instance. It's important that this happens quickly so it doesn't hold up the contract.

When the conditions are met the contract becomes 'unconditional'. Then it's simply a matter of waiting until the 'settlement period' passes, and you're ready to move into your new home.

Arrange a final inspection

We recommend that you make a final inspection of the property just before settlement; the consultant can arrange this for you. When you buy residential property you buy the house and land on which it is built, as well as the fittings such as carpets, light fittings, curtains, heaters etc. ('the chattels'). The list of chattels should appear on the contract. You should keep this list to use during your final inspection before settlement to correctly identify each item that is included with the sale.

On the day of settlement, you'll receive confirmation from your solicitor. **Then you can collect the keys and get moving!**



Head Office
2 Collins Street Hobart
03 6235 1451
1800 063311