

for you in writing. Matters which are complicated and require attention over and above that which is normal are charged on an hourly basis.

### Stamp Duty

Is based on the purchase price of the property and is payable within 90 days from the day of exchange of contracts. Loan Instrument Duty is also payable on your mortgage (if applicable). We will calculate these amounts for you. If you meet the criteria for the First Home Plus Grant, and if the purchase price is less than \$500,000 you will be exempt from Stamp and Loan Instrument Duty .

### First Home Owners Grant

This entitles first home owners to a grant of \$7,000 towards their purchase. We are more than happy to assist you in applying for this benefit. One condition of entitlement is that the property must be occupied by the applicants for at least 6 months in the first 12 months of ownership.

### Insurance

The vendor should insure the property until settlement is completed. We suggest however, that you make arrangements to insure the property yourself. If you are borrowing against the property your lender will not advance the funds until they hold an insurance policy which notes its interest. In the case of strata unit purchases, general insurance is the responsibility of the body corporate and it may not be necessary for you to make your own arrangements.



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### Other services available

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## Are you ... buying a property?

### Helpful information for Purchasers

Fundamental steps  
The contract  
Finance  
Reports and searches  
Stamp duty  
Insurance  
First Home Owners Grant



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# Helpful information for purchasers

*This brief outline has been prepared to help you better understand the procedures we undertake on your behalf to protect your important investment. While in general terms, it should help reduce any uncertainties you may have.*

## Basic processes

A residential conveyancing transaction will involve two basic steps

**Contract exchange and payment of  
(normally) 10% deposit  
Settlement**

## Pre-exchange

A holding deposit does not create any legal obligations for either you or the vendor. It is simply a sign of your good faith. If you decide not to proceed with the purchase this money is refunded to you. Similarly, the vendor is not obliged to proceed and is entitled to sell the property to another party even though you have paid a holding deposit.

## Exchange

Contract exchange can be effected in two ways.

- Exchange with a nominal deposit under a (normally 5 or 10 business day) cooling off period. You have a legally binding contract with the vendor which you may rescind within the cooling off period. While you may change your mind, the vendor cannot.

However, rescinding the contract involves you forfeiting 0.25% of the purchase price, no matter what the reason. Some buyers are prepared to take this risk to ensure that the vendor cannot sell the property to someone else.

- Alternatively, if you have already reviewed the contract with us, and negotiated any changes, carried out all the pre-purchase inspections you require and obtained unconditional loan approval, and have your 10% deposit available, you may proceed to an unconditional exchange. This can be only be done by a solicitor or licensed conveyancer. If you proceed to exchange in this way, you are legally bound to the contract and are unable to without severe financial penalty without good cause.

## Settlement

Settlement is the final step in the transaction when the balance purchase price is paid. This usually occurs 42 days from exchange.

## Steps in detail

### The contract

The contract is a standard Law Society document to which the Vendor's solicitor adds relevant information about the property you are purchasing. The contract will vary depending on each matter. It is our practice to spend considerable time with you explaining this document so that you may fully under-



stand your legal obligations. We may suggest amendments to the submitted contract which may provide you with further protection.

## Finance

To enter into an unconditional exchange of contracts you must have obtained formal unconditional loan approval. This office has an excellent working relationship with a finance broker who can assist you in this regard. Loan documents may be complicated and we can also explain these to you if necessary.

## Reports prior to exchange

The contract does not contain advice about the condition of the property and we recommend that both a building and a pest report be carried out along with your own inspections. Should you be purchasing a strata unit we advise that you obtain a strata report which will detail the financial position of the body corporate.

## Searches

There are a number of searches and enquires with statutory bodies (eg RTA and/or Sydney Water) which may have an interest in the property. We will advise you as to which of these we recommend and the fees payable, and make arrangements for them. This is undertaken once contracts have been exchanged.

## Costs

An estimate of costs and fees will be provided

