

A Guide for Selling a Residential Property in the Australian Capital Territory

- 1 When you've made the decision to sell you want the process to be as easy as possible. You want to avoid lengthy delays, unexpected costs and uncertainty. Seek advice from us at **lawlab** before you sign any contract.
- 2 In the ACT, a sale contract with the prescribed disclosures must be prepared before you can advertise your residential property for sale. We can assist you in preparing the contract and drafting additional clauses to meet your needs.
- 3 **lawlab** helps speed up the contract to settlement process by using the secure online property platform **Rundl** (www.rundl.com). We immediately order all the required documents that have to be included in the contract. We aim to do issue the contract to you and your agent within **24 hours** of receiving the documents from the authorities.
- 4 If you're selling a dwelling then you must provide the buyer with a building, pest and energy efficiency rating report before they make an offer. This report forms part of the contract and if the buyer proceeds to buy the property then they are required to reimburse you for the cost of the building and pest inspection report.
- 5 Once you have found a buyer for your property we can complete the contract with their details and the sale terms. If you are using a real estate agent they will generally do this for you. If you have had a contract prepared by another solicitor or a conveyancer we can still complete your sale
- 6 The buyer's copy of the contract is then sent to their solicitor. It is common for the buyer to apply for finance and undertake it's property investigations before the buyer approves and signs the contract. If you and the buyer want to proceed with the sale quickly and the buyer has not yet obtained finance approval then the buyer may ask for the contract to be subject to finance condition (usually between 7 to 21 days).
- 7 Once the contract is signed by both the buyer and seller and is exchanged, it becomes legally binding. The contract is normally dated on the date that it is exchanged. You can track the progress of your sale 24/7 using **Rundl**.
- 8 At the same time of signing the contract, the buyer needs to pay a deposit. The deposit is negotiable but is usually 10% of the purchase price. It is a sign of their commitment to purchase the property. If the Buyer is in default of the contract at a later
- 9 date (e.g. by not being able to settle) you may be entitled to terminate the contract and keep the deposit. Often the buyer is unable to pay a 10% deposit on signing the contract and may ask them to pay an initial deposit upfront and the balance at a later date (e.g. once the cooling off period expires). The deposit is usually paid to the trust account of the real estate agent (or us if there is no real estate agent) to hold until settlement.
- 9 Unless the property was sold at auction (or same day as the auction) or the buyer is a corporation or you have agreed that the buyer will waive their cooling-off rights then the buyer may be entitled to a cooling off period which means they can cancel the contract without any reason within 5 clear business days after the day the contract is exchanged. If the buyer decides not to proceed with the purchase, they must give notice to us of their intention to terminate the contract before the expiry of the cooling off period. You are entitled to charge a termination fee of 0.25% of the purchase price if the buyer terminates under the cooling off provisions.

10

If the contract is subject to a condition such as finance, prior to the expiry of the conditions, the buyer must give us notice of whether finance has been approved or not. If the buyer needs more time to satisfy the finance condition then they may request further time to do so (but this will be at your discretion). We will collaborate with the real estate agent and your broker or lender on **Rundl** so everyone is kept up to date on the progress of your purchase and can work together towards your settlement.

11

The period between exchange and settlement is usually between 30 to 60 days but you can negotiate a longer or shorter period if required. If the buyer is obtaining finance, keep in mind that their lender may take at least 2 to 3 weeks to confirm formal approval, issue loan documents and be in a position to settle.

12

If there is a mortgage over your property then you should contact your mortgagee as soon as possible to let them know that you have sold the property. They may ask you to sign a discharge authority so they can prepare a release of mortgage and liaise with us to organise settlement. You should also advise them which bank account you would like any surplus funds to be paid into. Your mortgagee will calculate a payout figure and advise us of this amount before settlement.

13

If you hold the certificate of title deed for the property then we will need the original in advance of settlement.

18

We will prepare a transfer document and send this to you for you to sign in front of a witness. You should then return the original signed and witnessed transfer documents to us immediately.

15

We will prepare settlement figures and send these to you for your approval prior to settlement. Our legal fees, any balance of the agent's commission and any outstanding outgoings (e.g. rates and water) will be deducted from the balance of settlement funds due to you.

16

Unless the property is sold subject to a tenancy, you should vacate the property at least one day before settlement. The keys need to be handed to your real estate agent for the buyer to collect at or after settlement.

17

There is usually no need for you to attend settlement as we or our settlement agents will attend settlement on your behalf. Once settlement has occurred we will contact you immediately to advise that your sale has settled! After settlement, the real estate agent will account to you for any balance of the deposit after deducting their commission.

18

After settlement the transfer of title and any discharge of mortgage will be lodged for registration at the land titles office. The local authorities also get notified of the change of ownership.

The conveyancing process of selling a property can be complex and confusing at times but as experienced conveyancing lawyers, **lawlab** will make your journey easier and you can be confident you are in safe hands.

Date of issue: February 2016 Copyright lawlab Pty Ltd 2016

Liability limited by a scheme approved under Professional Standards Legislation. Legal practitioners employed by lawlab Pty Ltd are members of the scheme.scheme.

lawlab has more than 100 years of experience, we can offer you practical, efficient and expert legal advice on your purchase. Please call 1800 529 522 or email: conveyancing@lawlab.com.au.

Disclaimer: This information is general in nature only and does not constitute legal advice. lawlab accepts no liability for the content of this information. You should obtain legal advice specific to you individual circumstances..

Phone 1800 529 522 / Email conveyancing@lawlab.com.au / www.lawlab.com.au

Level 6, 3 Spring Street, Sydney NSW 2000
28b St Edmonds Road, Prahran VIC 3181

Level 10, 15 Green Square Close, Fortitude Valley, Brisbane QLD 4006
Suite 9, Level 1, 25 Parap Road, Parap NT 0820

