

A Guide For Purchasing Off The Plan Property In Tasmania

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Property Found: once you have found the right property to buy, you will usually need to sign an expression of interest form or a sales advice and pay a holding deposit into the sales agent's or lawyer's trust account.

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Conveyancing lawyer: the next step is to find an experienced and tech savvy conveyancing lawyer to help you with the legal process. **lawlab** are a national conveyancing law firm experienced in off the plan purchases and make the process easy for you. **lawlab** helps speed up the contract to settlement process by using the secure online property platform **Rundl** (www.rundl.com).

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Contract advice: seek legal advice from lawlab before you sign the contract – the developer and agents have their own interests in mind, but a good conveyancing lawyer is there solely to protect your interests. There is no cooling off period in Tasmania so you will not be able to get out of a contract because you have changed your mind. Once we receive the draft contract and disclosures, we will review them, guide you through the terms of the contract and advise you on any special conditions.

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Disclosures: as you are buying a property that does not yet exist you should carefully check the schedule of finishes and inclusions. You should also ask the seller to provide you with information about the proposed property including a plan, the estimated strata levies you will pay, the by-laws of the strata scheme and other strata agreements.

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Contact Lender: if you need to borrow money to fund the purchase, we recommend you obtain written finance pre-approval from your lender prior signing the contract. You need to be aware that the pre-approval may lapse before settlement and that most pre-approvals are conditional on a satisfactory valuation once the property is constructed.

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Contract Exchanged: once the contract is signed by both the buyer and seller and is exchanged, it becomes legally binding. The contract is normally dated by the seller's solicitor or real estate agent on the date that it is exchanged. You can track the progress of your purchase 24/7 using Rundl.

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Deposit: at the same time as signing the contract, you need to pay a deposit. The deposit is negotiable and is usually an amount up to 10% of the purchase price. You may be able to negotiate paying an initial deposit when you sign the contract (which may have already been paid as a holding deposit) and the balance at a later date (e.g. within 14 days). The deposit must be paid strictly when it is due and is usually paid to the trust account of the real estate agent or the seller's solicitor for them to hold until settlement.

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Construction period: during this period the seller or the sales agent will communicate with you directly about the progress of the building. If there are changes that affect your property, the seller will issue a further disclosure statement setting out the changes. If the changes are significant you may have rights to terminate the contract.

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Sunset Date: the period between the contract date and settlement can be a few months or a few years depending on the development. Normally, an off the plan contract will set a sunset date which is the latest date the seller must register a separate title for the property and if that is not done by the sunset date, then either party can rescind the contract.

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Transfer (stamp) duty: is payable on the purchase of the property and is usually calculated based on the purchase price. Stamp duty is payable within 3 months from settlement (or by settlement if you obtain finance).

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Registration of title: after the building is completed, the relevant authority will issue an occupation certificate and the seller will register the plan at the land registry. The seller will then call for settlement, which is usually 2 to 3 weeks from the date of their notice.

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Finance: If you are obtaining finance for your purchase then we will inform your lender of registration so they can prepare the loan and mortgage documents for you to sign. If a guarantor is guaranteeing the loan then they may need to obtain independent legal and financial advice. Your lender will deduct their fees and any statutory charges from the loan amount and will advise us of the funds available for settlement.

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Preparing for settlement: we will carry out various searches on the property, including a search of the land titles office to check the details of the registered title are the same as were disclosed to you. We will also prepare settlement figures and send these to you for your approval prior to settlement. Outgoings (e.g. council rates, land tax and strata levies) will be adjusted between the parties which may have the effect of increasing or decreasing the balance purchase price payable at settlement. It is common practice for any outstanding outgoings to be paid out from the balance purchase price due to the Seller.

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Final inspection: you should contact the sales agent to organise a final inspection of the property before settlement to confirm that the measurements, finishes and inclusions are as were disclosed to you. Most off the plan contracts have a defects liability clause that requires the seller to repair any defects as long as you give the seller notice of the

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defects within the defects liability period set out in the contract.

Settlement: there is usually no need for you to attend settlement as we will attend settlement on your behalf. Once settlement has occurred we will contact you immediately to advise that your purchase has settled! You can then collect the keys from the real estate agent. After settlement the transfer of title and any discharge or new 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 buying a property off the plan 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.

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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.

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