

## A Guide For Selling Residential Property In Victoria

- 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 Victoria, a contract must be accompanied by a vendor statement, which provides the buyer with information on the property. It is a good idea to have a vendor statement prepared before you advertise your residential property for sale to avoid delays and because buyers will often ask for a copy before submitting an offer. We can assist you in preparing the contract and vendor statement.
- 3 We immediately order all the required documents that have to be included in the vendor statement. These documents include the title search and plan, the council planning and information certificates, water statement, building certificates, roads proposal search, contaminated land, land tax and other searches depending on the property type and location. We aim to issue the contract and vendor statement to you and your agent within **24 hours** of receiving the documents from the authorities.
- 4 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.
- 5 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 inspections 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 it is common for the the buyer to negotiate for the contract to be subject to finance condition (usually between 7 to 21 days).
- 6 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 date (e.g. by not being able to settle) you may be entitled to terminate the contract and keep the deposit. 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.
- 7 Once both parties are satisfied with the terms of the contract, we or the real estate agent will issue the contract to the buyer for their signature and thereafter arrange for you to sign and date the contract. Once the contract is signed by both parties, it becomes legally binding.
- 8 We will then complete the conveyancing sale process for you using our smart streamlined and convenient system. You can track the progress of your sale 24/7 using our online conveyancing platform rundl ([www.rundl.com](http://www.rundl.com)).
- 9 The period between exchange and settlement is usually between 30 to 90 days but you can negotiate a longer or shorter period if required.
- 10 Unless you have sold the property at auction (or 3 days either side of auction) or you have agreed that the buyer will waive their cooling-off rights, the buyer has a cooling off period expiring on the third business day after they have signed the contract. 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 0.20% of the purchase price (minimum of \$200) if the buyer terminates under the cooling off provisions.
- 11 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). If the buyer is unable to satisfy the finance condition then buyer may terminate the contract by giving us notice

within 2 days of the finance condition date and they will be entitled to a refund of their deposit in full. The buyer must act reasonably when exercising this right.

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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.

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If you require the deposit to be released to you before settlement (e.g. to pay out the existing mortgage or to fund the purchase of another property) then we will send a section 27 statement that includes all your mortgage information to the buyer for their approval.

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If the amount required to discharge the mortgage is more than 80% of the purchase price, the deposit cannot be released to you before settlement.

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

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The buyer's solicitor usually prepares a transfer document and we will 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.

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.

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Unless the property is sold subject to a tenancy, you should vacate the property at least by the day prior to settlement. The keys need to be handed to your real estate agent for the buyer to collect at or after settlement. The buyer is entitled to inspect the property prior to settlement, and will usually do so the day before or the morning of settlement. This gives the buyer an opportunity to make sure that the property is in the same condition as at the contract date and that any goods included in the contract are left at the property.

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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.

**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](mailto: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 sheet. You should obtain legal advice specific to your individual circumstances.

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