

# A GUIDE TO YOUR REAL ESTATE SALE

The following information is provided to help your sale proceed with maximum efficiency and by the due date for settlement. Please read it carefully since it may answer many questions that you might have concerning your transaction. While every effort has been made for the guide to be as comprehensive as possible, we strongly recommend that you contact us, should you have any specific questions concerning matters not covered by the guide or any other matters relating to your particular transaction.

## ***Your Rights***

You have a right to have your Conveyancer act in your best interest at all times. These rights are detailed in the Appointment to Act (Form 1) document and, where applicable, the Disclosure of Interest document (Form 2).

## ***Your Obligations***

You have an obligation to bring to your Conveyancer's attention any matters that you think may affect your interests in the transaction. This is especially important where the Conveyancer prepares your settlement statement which you think may be incorrect, or where you intend to vary the settlement date or take early possession of the property.

## ***General***

- It is important that you attend to any requests for signing of documents as early as possible and return them quickly, particularly when the time frame for settlement is short or the mail is likely to take longer than the standard one business day.
- Take prompt action in attending to any special conditions on the Offer and Acceptance contract, which have either been stipulated or you may need to satisfy.
- If you plan to be away during the period leading up to settlement, please contact us to make sure any necessary documents have been signed and let us have alternate contact details. For example the Transfer of Land cannot be faxed or e-mailed.

## ***Discharge of Mortgage***

If there is a Mortgage currently registered on the property, then you should contact your bank or financial institution as soon as possible and take whatever action is necessary to make sure that they are ready with documents to discharge the mortgage by the settlement date. In most cases, you will be required to sign an "Authority to Discharge" form for your bank or financial institution and you should therefore attend to this without delay. In cases where you are only "partially" paying out the debt, the discharge process may take even longer, especially if a valuation is required on the remaining security property/ies.

## ***Special Conditions***

If there are any special conditions on the Offer and Acceptance contract which you as the Seller are required to satisfy, please arrange to take whatever steps necessary to make sure that they are satisfied by the date required in the contract.

## ***Documentation***

We will forward the Transfer of Land document to you for signing once it has been signed by the Buyer. Please ensure that the document is signed and witnessed as instructed and returned to us promptly to avoid any delays with settlement. This is particularly important if the time frame for settlement is short or the mail is likely to take longer than the standard one business day.

## ***Certificate of Title***

If the property is currently mortgaged, your bank or financial institution will hold the duplicate Certificate of Title (if one is in existence). If YOU hold the Certificate of Title yourself, we will require you to forward or deliver the Title to our office prior to settlement. Please note that if you are posting the Title, ensure that it is sent by Registered Mail only for security reasons. Once received, we will issue you with a receipt for the Title and this will be held by us and handed to the Buyer's representative at settlement, in exchange for the correct balance of purchase price.

### ***Settlement Statement***

We will provide you with an initial settlement statement that will show the amounts payable by you in respect to the real estate agent's selling fee and advertising costs (if applicable), settlement fees and other disbursements. The statement will either apportion the current year's rates and taxes or include an amount to be held in trust pending receipt of the relevant details. After settlement, we will provide you with a final statement setting out the full disbursement of the sale proceeds including any adjustment of rates and taxes.

### ***Rates & Taxes***

If you receive any account for payment of water rates, local government shire rates, land tax or strata levies (if applicable) during the period leading up to settlement, please forward the accounts to us so that we can apportion them and ensure that payment is made following settlement. If the due date for payment is a date prior to settlement, you may wish to call this office to discuss the situation with interest payable on the account for later payment. If you receive any accounts for any rates and taxes soon after the settlement date, please contact us before making payment, as the payment may already have been made at settlement. If the property has a water meter, an amount of funds will normally be held back from the sale proceeds to cover any final water usage to settlement date.

### ***Home Indemnity Insurance***

If a building license was issued since 1 February 1997 for a dwelling or improvements to the value or \$12,000.00 or over, the Builder must take out home indemnity insurance in the name of the home owner. This amount has increased to \$20,000 since 1 July 2007. If this situation applies to you, please let us have a copy of the insurance policy or details of the policy so that we can show to the Buyer that the insurance is in place. Home Indemnity Insurance is also required to be taken out by an OWNER BUILDER if they wish to sell the property within 7 years of issue of the building license and this must be taken out prior to signing of a Contract for the sale of the property. Owner Builders must also receive Ministerial approval if they sell within 3 years of building.

### ***Swimming Pools/Spas - Legislation Requirements***

The Western Australian Government has amended the Regulations that apply to all pool/spas with approval for installation on or before 30 June 1992. The amendment ensures that an appropriate barrier is installed and maintained on all properties with a pool/spa approved for building prior to 30 June 1992.

In order to provide pool/spa owners with sufficient time to carry out the necessary upgrades, the Government provided a 5 year transitional period. This period ended on 17 December 2006 and requires all owners of pre-30 June 1992 installations to upgrade the safety requirements of the barrier so they comply with the barrier requirements of Pre-November 4 2001 pool/spas.

If the pool/spa enclosure does not comply with current regulations, you may be in breach of your obligations to the Buyer pursuant to Conditions 9.1(a)(1)(b) and 9.2(b) of the Joint Form of General Conditions for the Sale of Land, and you should rectify the pool/spa enclosure before settlement.

- Condition 9.1(a)(1)(b) of the Joint Form of General Conditions for the Sale of Land states that 'The Seller does not know of any demand, order, requisition or requirement relating to the Property which an Authority proposes to make'; and
- Condition 9.2(b) of the Joint Form of General Conditions for the Sale of Land states that 'the use of the property is lawful'.

If you are unsure if your pool/spa complies with current regulations, please contact the appropriate Local Council for advice.

If the pool/spa does not comply with the current regulations, please notify us immediately so that the appropriate actions can be taken to ensure that the pool/spa complies with current regulations prior to settlement.

### ***Residual Current Devices (RCDs) - Legislation Requirements***

The Electricity Amendment Regulations 2009 came into force on 9 August 2009 in relation to residual current devices (RCDs), otherwise known as safety switches. The Regulations, which amend the Electricity Regulations 1947, require that from 9 August 2009, the owner of a residential premise must ensure that at least two RCDs are installed in accordance with the 2007 Wiring Rules:

- Before the title to the premises is transferred; or
- Before the owner enters into a residential tenancy agreement (with someone other than a person who was a tenant) in respect of the premises.

With limited exceptions, the obligation also exists in relation to residential premises which are unoccupied. The penalties for non-compliance are a fine of \$15,000.00 in the case of an individual, and a fine of \$100,000.00 in the case of a body corporate. The penalty is imposed on the defaulting person.

New homes where the building construction licence was granted after 1 January 2000 already comply with these requirements.

If the property you are selling includes a residential premise which does not have compliant RCD's, we suggest you arrange for an Electrical Contractor to complete installation of the required RCD's prior to settlement. In these circumstances, and also in the event you have previously arranged installation of the required RCD's, we will require that you provide us with a written statement from an electrical Contractor (in a form approved by the Director of Energy Safety) certifying that two RCD's are correctly installed in accordance with the 2007 Wiring Rules.

Alternatively, if your property already has compliant RCD's because it was built after 1 January 2000, we will require that you provide us with a written statement from the local government stating that the building construction licence for the premise was granted after 1 January 2000.

### ***Smoke Alarms - Legislation Requirements***

Effective from 1 October 2009, mains powered smoke alarms must be fitted in all existing residential buildings before the title to the premises is transferred, and when a new tenancy agreement is signed for rental properties. If there are no tenancy changes in rental properties, then hard wired smoke alarms must be fitted by 1 October 2011. These requirements are mandatory under the Local Government (Miscellaneous Provisions) Act 1960 Section 248 and the Local Government Act 1995 Section 9.60, and the Building Amendments Regulations 2009. The Local Government will have the capacity to issue infringement notices or fines up to \$5,000.00 to the defaulting person for non compliance.

While mains powered smoke alarms are the preferred alternative, smoke alarms with a 10 year battery life are permitted in dwellings where the construction of the building does not permit a space to conceal the wiring and there is no other suitable alternative location or where mains power supply is not available.

If settlement of your property will be taking place on or after 1 October 2009, we suggest that you arrange for an Electrical Contractor to complete installation of the required Smoke Alarms prior to settlement.

### ***Moving Out***

After settlement, please make sure that any keys, remote control devices etc are handed to the real estate agent so that the Buyer can collect them. If the property is your usual place of residence, you are entitled to stay in possession (ie, occupy the property) until 12.00 noon the day following settlement. If the property is sold with "vacant possession" to the Buyer and there are person/s other than yourself occupying the property, please ensure that they are aware of the time and date of settlement as they will need to have fully vacated the property by that time.

Please provide us with your forwarding address in the event that we need to contact you following settlement.

***Things you should do***

- We can not make arrangements to discontinue power, gas or telephone services to the property and you should therefore make your own arrangements in that regard. Please try and call these service providers approx one week prior to settlement to ensure that they have sufficient time to arrange final meter readings on the date you require them. We will notify the local council and the Water Corporation of the change of ownership and will arrange for the water meter to be read as close as possible to settlement date.
- The property continues to be at your risk, as far as insurance is concerned, until the date of settlement or the date of possession (ie, the date on which the Buyer takes the keys and commences occupation of the property), whichever is the earlier date. We can not make arrangements to transfer or cancel any insurance policies either or building or contents and you should contact your insurer to make necessary arrangements. If you pay a proportion of an insurance premium on a strata titled property which is not included in a regular strata levy contribution, could you please forward details of the insurance and the amount paid by you to us so that we may attend to any necessary adjustment of the premium between you and the Buyer.
- Remember to notify anyone with whom you are in regular contact, of your new address and contact details.
- It is advisable to make arrangements with Australia Post for re-direction of your mail, if your address is changing after settlement.
- You may wish to obtain quotes and book a removalist prior to the settlement date.

Either you or the buyer may delay settlement for up to three business days after the due date, so, unfortunately, the contracted date is not assured.

***If you have any queries concerning any aspect of your transaction, please contact us without delay***