

Buying a Property

Information Kit



QLD LAW GROUP
- A New Direction Pty Ltd

TABLE OF CONTENTS

QLD LAW GROUP	1
BUYING YOUR PROPERTY	3
1 SET YOUR BUDGET	3
1.2 Real Estate Agent's Fees	3
1.3 Legal Professional Costs	3
1.4 Searches	3
1.5 Special Costs	3
1.6 Stamp Duty	4
1.7 Calculation of Stamp Duty	4
1.7.1 Investment property or vacant land (not first home) from 21 September 2012	4
1.7.2 Vacant land for first home from 1 July 2012	4
1.7.3 First Home Buyers from 1 July 2012	5
1.7.4 Home Buyers from 1 July 2012	5
1.8 Finance	5
1.8.1 Establishment and Other Fees	6
1.8.2 Financier's Legal Professional Fees	6
1.8.3 Stamp Duty on Mortgages	6
1.9 Moving Expenses	6
1.10 A Sample Budget	6
2 INSURANCE	7
3 GST	8
4 FIRST HOME OWNER CONSTRUCTION GRANT	8
5 TIME	9
6 FINANCE	9
7 MORTGAGE ADVICE	10
8 ELECTRICAL SAFETY SWITCH/SMOKE ALARMS	10
9 BUILDING INSPECTION	11
10 POOL SAFETY INSPECTION	11
11 FOREIGN INVESTMENT REVIEW BOARD	12
12 GENERAL	12
THE CONTRACT	13
1 FORM OF CONTRACT	13
1.2 Warning Notice and Disclosures	13
1.3 The Reference Schedule	14
1.3.1 The Details of the Parties	14
1.3.2 Description of the Property	14
1.3.3 Fixtures and Chattels	14
1.3.4 Title Encumbrances	14
1.3.5 Deposit and Price	14
1.3.6 Finance and Building Inspection	14
1.3.7 Pool Safety Inspection	15
1.3.8 Electrical Safety Switch / Smoke Alarm	15
1.4 The Standard Terms of Contract	15
1.5 Special Conditions	15

2	NEGOTIATING A CONTRACT	16
	2.1 Your Offer	16
	2.2 When is an Offer Accepted?	16
3	Cooling Off Period	16
4	Deposit	17
5	After Contract	17
6	DISCLAIMER	18

QLD LAW GROUP

Qld Law Group is a broad based general practice specialising in Conveyancing. The firm has a centralised administration office and has working offices at Brisbane, Burpengary, Logan City, Gold Coast, Woodford and Goodna. We are comprised of over 80 fully motivated, well trained and skilled staff. Qld Law Group is also a member of Lawyers Associated Worldwide which enables us to draw upon the expertise of affiliated law firms throughout Australia and the world.

OUR ROLE

We see our role as working with you to provide you with clear, commonsense advice to ensure that your property transaction is carried out efficiently, expertly and, importantly, with no stress for you.

OUR VALUES

We value professionalism, respect, openness, honesty and we care about our clients.

ACCESSIBILITY

We are committed to being accessible to our clients and we will:

- answer promptly any phone calls during normal office hours (8:00 am to 5:00 pm local time);
- have a voicemail answering service activated outside working hours so you can record your message at any time convenient to you;
- be on call after hours on mobile telephones so that you can contact us easily;
- promptly respond to phone messages and emails;
- provide accurate and helpful legal advice and information.

COSTS

We can carry out your property transaction at a fair price by professional persons. In most cases you will not have to pay anything until the day of settlement.

CLIENTS

We value and care for our clients. Satisfying our clients is our key objective. If our client says there is a problem then there is a problem and we will do all we can to fix the problem.

CONVEYANCING

The process of transferring the ownership of a property from a Seller to a Buyer is described broadly as "Conveyancing". The Conveyancing of land, houses, units, and town houses is dealt with in a number of Acts of Parliament in Queensland, the principal ones being:

- 1 *Property Occupations Act 2014*, regulates the real estate industry in Queensland;

- 2 *Land Titles Act 1994* regulates the way property transfers are recorded; and
- 3 *Body Corporate and Community Management Act 1997 (BCCM Act)* regulates units and townhouses.

The principal persons that will help you with buying or selling your property will be:

- 1 a Real Estate Agent who should be a member of the Real Estate Institute of Queensland (the REIQ); and
- 2 a Lawyer who should be a member of the Queensland Law Society (the QLS).

By being members of these groups you may be assured that your advisers are properly qualified and hold professional indemnity insurance.

The main Contracts in use in Queensland were developed in co-operation by the REIQ and the QLS. The contracts bear the logos of each entity and unless varied by Special Conditions are fair contracts. You should not sign any contract without first talking to us, if you have any doubts you should not sign any non REIQ Contract under any circumstances without our reading the Contract first.

BUYING YOUR PROPERTY

1 SET YOUR BUDGET

A budget is imperative. There is no point looking at properties you cannot afford.

You are embarking upon a contractual arrangement when purchasing a property. You must have sufficient funds either from borrowed moneys or your own resources to pay the purchase price of the property on the date set for the settlement of the Contract.

Failure to complete a Contract through not having sufficient funds or for any other reason may mean that you lose your deposit and expose yourself to the risk of being sued by the Seller.

You must be able to make the repayments, pay rates, insurance and the upkeep of the property if you buy it.

A properly prepared budget will enable you to:

- assess just what price you can afford to pay for a property;
- approach a financial institution and confidently request an appropriate amount you will need to borrow to purchase a property. If you borrow short, you may be in trouble;
- consider whether you can meet the repayments.

1.2 Real Estate Agent's Fees

The Seller is responsible for the Agent's fees. You do not pay Agent's fees to buy your property.

1.3 Legal Professional Costs

Telephone us for a quotation on our professional fees and we will provide you with our competitive rates. (Remember that the cheapest is not always the best).

1.4 Searches

Searches must be carried out in the registers of Government Departments, Local Councils and Statutory Authorities to ensure that the property is clear of certain defects or restrictions. There may be up to 12 different searches. These searches are imperative to protect your interests and the cost will vary with each individual property from \$350.00 to \$650.00. You should budget for at least \$650.00 for searches and other legal disbursement costs.

1.5 Special Costs

It may also be necessary to budget for other specialists such as:

- | | |
|----------------------------------|----------|
| • Building Inspector | \$220.00 |
| • Pest Inspector | \$220.00 |
| • Pool Inspector (if applicable) | \$250.00 |

- Survey Fee – (if there are possible encroachments) \$330.00
- Body corporate searches – (if you are buying a unit or town house) \$200.00

These prices are a guide only.

If you do not have a building inspector, pest inspector or surveyor that you generally use, we would be only too pleased to give you details of experts that work in the area in which you are buying.

1.6 Stamp Duty

Stamp Duty is payable to the Queensland Government and is assessed differently depending upon:

- the type of property;
- whether or not the property is an investment property or your home;
- whether or not the property is your first or subsequent home.

1.7 Calculation of Stamp Duty

1.7.1 Investment property or vacant land (not first home) from 21 September 2012

Value of Property	Stamp Duty Rate
\$0.00 to \$5,000	Nil
\$5,000 to \$75,000	\$1.50 for each \$100, or part of \$100, over \$5,000
\$75,000 to \$540,000	\$1,050 plus \$3.50 for each \$100, or part of \$100, over \$75,000
\$540,000 to \$1,000,000	\$17,325 plus \$4.50 for each \$100, or part of \$100, over \$540,000
More than \$1,000,000	\$38,025 plus \$5.75 for each \$100, or part of \$100, over \$1,000,000

1.7.2 Vacant land for first home from 1 July 2012

Dutiable value of the first home vacant land	Concession Amount
Up to \$250,000	100% of transfer duty
\$250,000 to \$259,999.99	\$7,175
\$260,000 to \$269,999.99	\$6,700
\$270,000 to \$279,999.99	\$6,225
\$280,000 to \$289,999.99	\$5,750
\$290,000 to \$299,999.99	\$5,275
\$300,000 to \$309,999.99	\$4,800
\$310,000 to \$319,999.99	\$4,325

Dutiable value of the first home vacant land	Concession Amount
\$320,000 to \$329,999.99	\$3,850
\$330,000 to \$339,999.99	\$3,375
\$340,000 to \$349,999.99	\$2,900
\$350,000 to \$359,999.99	\$2,425
\$360,000 to \$369,999.99	\$1,950
\$370,000 to \$379,999.99	\$1,475
\$380,000 to \$389,999.99	\$1,000
\$390,000 to \$399,999.99	\$525
\$400,000 or more	Nil

1.7.3 First Home Buyers from 1 July 2012

Purchase price/value	Concession Amount
Up to \$504,999.99	\$8,750
\$505,000 to \$509,999.99	\$7,875
\$510,000 to \$514,999.99	\$7,000
\$515,000 to \$519,999.99	\$6,125
\$520,000 to \$524,999.99	\$5,250
\$525,000 to \$529,999.99	\$4,375
\$530,000 to \$534,999.99	\$3,500
\$535,000 to \$539,999.99	\$2,625
\$540,000 to \$544,999.99	\$1,750
\$545,000 to \$549,999.99	\$875
\$550,000 or more	Nil

1.7.4 Home Buyers from 1 July 2012

Purchase price/value	Stamp Duty Rate
Up to \$350,000	\$1.00 for each \$100 or part of \$100
\$350,001 to \$540,000	\$3,500 + \$3.50 for every \$100 or part of \$100 over \$350,000
\$540,001 to \$1,000,000	\$10,150 + \$4.50 for every \$100 or part of \$100 over \$540,000
More than \$1,000,000	\$30,850 + \$5.75 for every \$100 or part of \$100 over \$1,000,000

1.8 Finance

If you have to borrow money to purchase the property then you should budget for at least the following:

1.8.1 Establishment and Other Fees

You should contact your financier to obtain an estimate of all costs and charges they will levy. Today's lenders are in a competitive market and are competing for your business. Shop around and see which financier will give you the best deal. There are even financiers willing to waive the establishment fees (fee charged for investigating your loan application).

1.8.2 Financier's Legal Professional Fees

In addition to the financier's cost for establishing your loan, you should request your financier to advise on their legal fees (if any) as you may have to pay these fees.

1.8.3 Stamp Duty on Mortgages

Stamp duty on mortgages is no longer imposed in Queensland.

1.9 Moving Expenses

You should include at least the following under this heading:

- Removalist costs. This should include the cartage costs and insurance.
- Telephone connection fees

Contact: Optus: 1800 708 216
Telstra: 1800 670 017
for a quotation.

They both handle installations of telephones and can talk over your projected requirements.

- Electricity. If you are an existing consumer there is usually no charge. If you are to become a new customer then you should budget at least \$80.00 for a bond. Telephone Energex on 13 1253 or some other provider to obtain an accurate assessment.
- Gas. Where there is gas to be connected, you will need to contact the suppliers. There may be a bond to pay.
- www.fastconnect.net.au. This is an online free service where you connect Electricity, Gas, Telephone, Water, Broadband and Pay TV.
- Some councils will charge a "transfer" fee to amend their records and, if applicable, this will appear on your first rate notice after settlement. The actual fee varies from council to council and, if you are buying your first principal place of residence, this may be waived on application to the council.

1.10 A Sample Budget

Purchase Price:	\$
<u>Less</u> Deposit:	\$ _____
Sub Total	\$

Legal Professional Costs:	\$
Search Fees:	\$
Building Inspector's Report:	\$
Pest Inspector's Report (if necessary):	\$
Pool Safety Inspector's Report (if necessary):	\$
Surveyor's Fees (if necessary):	\$
Body Corporate searches (if necessary):	\$
Stamp duty on Transfer:	\$
Financier's Establishment Fees:	\$
Financier's Legal Fees:	\$
Insurance on your home:	\$
Moving Expenses:	\$ _____
Total	\$ _____

It is important that you set your budget and stick to it.

Remember there is no point buying a property you cannot afford!

2 **INSURANCE**

It is important to insure the property from the date that the Contract is executed.

Under the standard terms of the REIQ Contract, the risk of damage to the property passes to the Buyer at 5:00 pm on the first business day after a Contract has been executed. Accordingly it is important to put insurance in place (by way of cover note usually) immediately after executing the Contract.

If the Contract does not proceed, you may simply cancel the cover note and no premium is payable.

You should of course insure the property for its full insurable value including your contents and personal effects. It is a common mistake to under-insure and if you do this and you happen to make a claim, then the insurer may reduce any payment to you in proportion to the amount of the under-insurance. You should also be aware that insurance premiums are subject to GST.

If you do not have an insurance agent you may care to contact Southbank Insurance Brokers on Ph: 3844 6800 who a number of our clients have found most helpful.

There is no fee payable to the Qld Law Group for this service and this is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matter of insurance, not the Qld Law Group.

Certain searches in government departments should be made in respect of the property but you may wish to consider taking out what is called title insurance. Title insurance will provide you with protection against some risks inherent in the transaction that may affect your ownership or future use of the property.

The risks covered will vary from policy to policy but will generally include structures (whether legal or illegal), boundary disputes, problems with rights of way and easements, access issues, survey errors and unpaid rates and taxes. You can extend the risk to matters after settlement such as fraud or future dealings with third parties.

It is worth considering title insurance as some of the risks of the transaction will not be discoverable through our searches and enquiries. The premium is typically a one off premium payable on settlement and will cover you as long as you retain an interest in the property.

If you wish to consider title insurance you should contact First Title on (02) 8235 4433 (www.firsttitle.com.au) or Stewart Title Limited 1800 300 440 (www.stewarttitlelimited.com.au).

3 GST

As a residential property buyer, the purchase price you pay will be inclusive of any GST unless the Contract expressly states otherwise. As you are probably aware from your own experiences with GST, it is very complicated and should you require specific advices, please contact your accountant.

If you don't have an accountant, the Qld Law Group can put you in touch with an accountant experienced in GST.

There is no fee payable to the Qld Law Group for this service and this is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matter of GST, not the Qld Law Group.

4 FIRST HOME OWNER CONSTRUCTION GRANT

The Queensland Government is administering a scheme called the First Home Owner Construction Grant.

The Grant (currently \$15,000) is available to first home owners who will be buying or building a new home.

To be eligible:

- you must be buying your home as a natural person;
- you, or your joint applicant, must be an Australian citizen or a permanent resident over 18 years of age;
- if you are married or have lived in a de facto relationship for more than 2 years, neither you nor your spouse must have owned a home individually or with another person;

- you must live in the home as your principal place of residence within one year of buying/building it;
- you must then remain in continuous occupation of that home for a period of at least six months;
- the home you are buying must be less than the prescribed amount (this needs to be checked at the relevant time but is currently \$750,000);
- if you are a trustee of a trust (other than a discretionary or unit trust) and all the beneficiaries are individuals under a legal disability who will live in the home as their principal place of residence.

The home can be a house, unit, flat or any other type of self-contained, fixed dwelling that meets local planning standards.

The First Home Owner's Grant is not means tested.

A new home is a home that:

- has not been previously occupied as a place of residence;
- has not been previously sold as a place of residence or;
- is a substantially renovated home (in certain circumstances).

It is important to keep all supporting documents and ensure that the application is lodged as soon as possible with the Office of State Revenue who administers the Grant. More information can be found at <https://www.treasury.qld.gov.au/taxes-royalties-grants/home-owner-grants/index.php>.

5 TIME

Time is very important in Queensland Contracts. When the Contract states that something has to be done by a specified date, it means that it must be done in some cases by 4:00 pm on that day.

If necessary the Qld Law Group can request that time "be extended" if there are difficulties in complying with a time limit for good and proper reasons, but the Seller will have to agree. If there is a problem, we should be contacted immediately. For example, to extend the Finance Date, Building Inspection Date etc.

Most conveyancing services charge you additional fees for this work. In most cases, there is no fee payable to the Qld Law Group for this service.

This is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with these confusing matters, not the Qld Law Group

6 FINANCE

If you do need to borrow money to buy the property you should take a copy of the signed Contract to your financiers and make the application for finance. This will give the financier

enough time to consider your application and, if accepted, approve it before the Finance Date. If you don't tell the Seller that your finance has been approved by the Finance Date the Seller may terminate the Contract.

If your application hasn't been approved by the Finance Date you need to tell us whether you wish to terminate the Contract and recover your deposit or ask the Seller for more time so that you may continue to seek finance.

A number of our clients shop around for the best deal. If you want help in that regard, the Qld Law Group will help you get the best deal that suits you by directing you to a loan broker such as Time Home Loans Ph: Ruan Burger on 3194 0888 or Email: ruan@timehl.com.au, whom a number of our clients have found very helpful.

There is no fee payable by you to the Qld Law Group or the broker if it is a home loan.

There is no fee payable for this service and this is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matter of finance, not the Qld Law Group

Remember - shop around for the best deal.

7 MORTGAGE ADVICE

When you borrow money, the lender takes a mortgage over the property you are buying (and sometimes other property you own). A mortgage is a charge on property securing the debt created by the loan. It gives the lender rights over the property including the right to sell if you don't pay the debt on time.

It is important that you understand what you are signing.

Our retainer will be to act for you to transfer the property into your name and it doesn't cover giving you advice on the loan documents.

This loan may be the biggest loan of your life and you should ensure that you carefully understand the loan, your obligations under the loan and the lender's rights against you and your property.

If you want, for a reasonable fee, the Qld Law Group will give you a written advice on the meaning and effect of the documents so you can proceed with a full understanding of the loan and assist you in the signing of the documents.

If you are happy with the documents and do not require the Qld Law Group's advice then we usually do not charge for witnessing the loan documents but, if we do so, then we of course accept no responsibility if there is a problem with the loan.

8 ELECTRICAL SAFETY SWITCH/SMOKE ALARMS

If you are buying a home, under the provisions of the *Electrical Safety Regulation 2002* and the *Fire and Rescue Service Act 1990*, the Seller is obliged to advise you in writing whether or not an approved safety switch for the general purpose socket outlets and the required amount of smoke alarms have been installed in the home.

When considering buying a property it is important to ensure that the switches and smoke alarms have been installed.

If the Seller advises you in the Contract that the safety switch or the smoke alarms have not been installed it will be your responsibility to have them installed within 90 days of your entering into possession of the property. You will be at the risk of a substantial penalty if you fail to do so.

9 BUILDING INSPECTION

Quite often buildings are built or renovated without getting all the approvals needed by the local Council, or are completed in a poor manner.

Problems can easily be unseen to the untrained eye, bad building practices, termite problems, water seepage and the like.

The Qld Law Group recommends that all Contracts be subject to a building inspection as the REIQ Contract used in Queensland provides little protection against building problems in the Standard Terms.

If the Contract is conditional upon your obtaining a building inspection report, you must arrange the report immediately, so there is sufficient time for the inspector to get the report to you before the Inspection Date. If you are happy with the report you need to tell us by the inspection date so that we may notify the Seller otherwise the Seller may terminate the Contract.

If you are not happy with the report and you might want time to consider matters or the report hasn't been obtained by the inspection date we can ask the Seller to give you more time, including the time to negotiate the rectification of any matters in the building report or a reduction of the purchase price with the Seller.

The Qld Law Group will help you make sure there are no hidden problems which you may have to pay to be fixed by directing you to a local building inspector.

There is no fee payable for this service and this is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matter of Building Inspections, not the Qld Law Group.

10 POOL SAFETY INSPECTION

If the property has a pool (and if in a unit complex not shared with others) the Seller has to tell you whether a pool safety certificate has issued, unless you buy the property at auction.

A swimming pool isn't just what you think, a swimming pool is and includes any excavation or structure capable of being filled with water to a depth of 300 mm or more.

If no pool safety certificate has issued then you at your cost must obtain a report from a pool safety inspector before the inspection date.

If the Inspector doesn't issue a pool safety certificate you have to decide whether to terminate the Contract or settle the Contract, attend to any rectification works at your own cost and make sure you have the certificate within 90 days of settlement.

If the property is part of a unit complex with a shared pool then the Body Corporate is responsible for ensuring there is a current pool safety inspection certificate issued for the pool.

If you intend to let the property after settlement you can't do so until the pool safety certificate is issued.

If you proceed to settlement without a pool safety certificate for a pool on your property you are prohibited from entering into a lease or tenancy without first obtaining a pool safety certificate.

If needed, the Qld Law Group will help you make sure that there are no problems with any pool by directing you to a local pool inspector.

There is no fee payable and this is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matter of pool safety inspection, not the Qld Law Group

Remember there are substantial penalties for non-compliance with the pool safety certificate rules.

11 FOREIGN INVESTMENT REVIEW BOARD

If you are not an Australian citizen or a permanent resident then you will need the approval of the Foreign Investment Review Board under the terms of Australia's Foreign Investment Policy to complete the purchase of the property.

We suggest that you contact us before you sign the Contract so that:

- a special condition is inserted in the Contract so that the Contract is subject to your obtaining the Board's approval;
- we can advise you on the requirements of the Board and prepare an appropriate submission for you.

If you are a foreign person it is an offence to enter a Contract that is not subject to your obtaining the Board's approval.

12 GENERAL

We aim to make the purchase as trouble free as possible and to protect your interests.

If you have any concerns in respect to your intended purchase, please contact us and we would be happy to help.

THE CONTRACT

The main Contracts in use in Queensland were developed in co-operation by the REIQ and the QLS. The Contracts bear the logos of each entity and unless varied by Special Conditions are fair contracts as we have stated. This guide explains the REIQ Contract, it doesn't deal with other contracts; specific advice is needed for those contracts.

1 FORM OF CONTRACT

The Contracts are in three parts:

- the **Reference Schedule** (where the party's particulars and terms of offer are recorded)
- **Special Conditions** (any arrangement peculiar to your needs)
- the **Standard Terms** (these are the REIQ standard provisions).

1.2 Warning Notice and Disclosures

Contracts previously included a complicated process designed to make Buyers aware of certain issues that voided a Contract if not strictly followed.

Now Contracts carry a simple statement saying that Buyers should consider getting an independent property valuation and legal advice about the Contract before signing.

A Contract for a unit and townhouse must also have a Disclosure Statement signed by the Seller attached to the Contract. It will inform you of:

- the contact details of the Body Corporate;
- the contributions and the levies that you will be obliged to pay to the Body Corporate;
- the insurances that have been taken out by the Body Corporate in respect of the building and the public liability (insurance for the contents is the owner's responsibility);
- improvements on the common property which you will have to look after and maintain;
- assets the Body Corporate owns;
- any charges over common property given by the Body Corporate to secure loans etc.

In this Disclosure Statement opposite the "Lot Entitlements" there is mention of an "Interest Schedule Lot Entitlement" and a "Contribution Schedule Lot Entitlement". The meanings of these expressions are:

- "Interest Schedule Lot Entitlement" means the number allocated to the Lot in the Interest Schedule and it is the basis for calculating the:
 - lot owner's share of the common property;

- lot owner's interest on termination on the Scheme including the lot owner's shares in the Body Corporate Assets;
- unimproved value of the Lot for the purposes of a charge, levies, rate or tax payable to local authorities.
- "Contribution Schedule Lot Entitlement" for a Lot means the number allocated to the Lot in the Contribution Schedule and is the basis for calculating the:
 - lot owner's share of the amounts levied by the Body Corporate;
 - value of the lot owner's vote for voting on ordinary resolutions at a meeting of Body Corporate.

1.3 The Reference Schedule

The Reference Schedule comprises the details of the transaction. Obviously a great deal of attention must be paid to this information as it is not of standard form and is inserted by the Agent based on the information provided by you and the Seller. Of particular importance are:

1.3.1 The Details of the Parties

As this information is the cornerstone of the Contract and is relied upon by us and your other professional advisors, it is essential that you carefully check that the details are correct.

1.3.2 Description of the Property

This will include the street address for the property and the real property description, which the Agent will accurately obtain from certain online government departments.

1.3.3 Fixtures and Chattels

If any fixtures are to be excluded from the sale or any chattels included in the sale then they must be listed.

1.3.4 Title Encumbrances

If there are any title encumbrances they must be disclosed by the Seller, otherwise you may be able to terminate the Contract.

1.3.5 Deposit and Price

Specific care should be taken to ensure that this information is agreed and if any changes have been made the change is initialled by all parties.

1.3.6 Finance and Building Inspection

If the Contract is to be subject to your obtaining finance and/or carrying out a building / pest inspection then these items must be fully completed otherwise you will have no rights in respect of these two very important matters.

1.3.7 Pool Safety Inspection

If the property has a swimming pool then it is in your best interests to ensure that the Seller has a current pool safety certificate or you must obtain a pool safety inspection report.

A swimming pool isn't just what you think a swimming pool is and includes any excavation or structure capable of being filled with water to a depth of 300 mm or more.

A pool safety certificate is issued by a licensed or authorised inspector under the *Building Act 1975* and if the Seller doesn't have a current pool safety certificate then you may have a right to terminate the Contract.

Qld Law Group will help you make sure there are no problems with the pool by directing you to a local inspector.

There is no fee payable to the Qld Law Group by you for this service and this is just another way that the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matters of pool inspections but not the Qld Law Group.

1.3.8 Electrical Safety Switch / Smoke Alarm

You need to ensure both these sections are completed by the Seller and the Safety Switch and/or Smoke Alarms installed or you may be responsible for their installation after settlement.

1.4 The Standard Terms of Contract

To give confidence to you and the Seller, the REIQ Contract includes standard terms of contract which are fair to both parties. The terms are written in plain English and you should carefully read them before signing a Contract. If you have any doubts or uncertainties then you should call us so that we may clarify matters for you.

1.5 Special Conditions

There may be Special Conditions which need to be included in the Contract to protect your position. You should call us before signing any Contract to ensure that your rights are protected and any necessary Special Conditions are included. It is important that the Special Conditions be clear and certain and we would only be too happy to help you.

In most cases there is no fee payable to the Qld Law Group and this is just another way the Qld Law Group gives you its complete conveyancing service.

Typical conveyancing services leave you to deal with the confusing matter of Special Conditions, not the Qld Law Group

2 NEGOTIATING A CONTRACT

2.1 Your Offer

The Agent will prepare the contract and ask you to sign it and pay the deposit. This is the initial "offer" to the Seller and the Agent will present the Contract to the Seller for the Seller's consideration.

At this stage you may need our help to:

- advise in respect to any Special Conditions in the offer;
- check that the disclosures and warranties that are required by law from the Seller have been made.

If the Seller is not prepared to accept your offer, the Seller may change the price and/or terms and initial the changes to the Contract. The Seller sends the amended copies back through the Agent to you as a "counter-offer".

You can accept the "counter-offer" by initialling the Seller's amendments or you may make another counter-offer.

2.2 When is an Offer Accepted?

You and the Seller must both agree to the exact terms of the Contract. If new terms or changes to an existing offer are made, then the original offer is rejected and a counter-offer is made.

The Contract is formed when:

- the Seller executes the Contract without amendment;
- both you and the Seller have agreed to and initialled all amendments; and
- the acceptance of the Contract by the last party to sign is communicated to the other party.

If the Contract is for the sale of residential land, other than the sale by auction, the Contract will not be enforceable until the:

- Contract has been signed by the parties, and;
- Agent gives you the signed Contract.

The Seller must prove that you received the signed Contract if a dispute arises, so the Seller may ask the Agent to have you sign a receipt for the Contract and there is no reason why you should not sign this receipt.

3 COOLING OFF PERIOD

All Contracts for the sale of residential land, excluding a sale by way of auction, are subject to a 5 business days cooling off period should you change their mind about purchasing the property.

The cooling off period commences on the day that the Seller returns the signed copy of the Contract to you (if this is not on a business day then the next business day).

You can waive or shorten the cooling off period by giving a signed written notice to the Seller. We would not recommend you waive or shorten the cooling off period, unless the property is being sold at auction. If the property is being sold by auction and the parties wish to sign a Contract before the auction date, then the Seller may insist that you waive the cooling off period to prevent you changing your mind and the Seller wasting the expenses of the auction. If the Seller makes this request it is reasonable for you to do this.

If you wish to exercise your rights to terminate the Contract during the cooling off period you should tell us that in writing so that we can ensure that your rights are correctly exercised.

It is important to remember that if you wish to exercise the rights to terminate the Contract under the cooling off period, that the Seller may deduct a termination penalty equal to 0.25% of the purchase price, i.e. if the purchase price was \$200,000.00 the penalty would be \$500.00.

At the expiration of the 5 business days cooling off period, you will be legally bound to buy the property subject of course to its terms and conditions such as finance, building inspection and the like.

4 DEPOSIT

Only the actual amount of deposit taken at the time when the Contract is signed should be stated in the Reference Schedule as the "deposit"

You can pay an initial deposit and the balance at a future date. The amount of the balance of deposit and the due date for payment are in the Reference Schedule.

Whilst the usual deposit is 10%, there is nothing to prevent you from offering any amount below that percentage if you are unable to pay a full deposit of 10%. It is up to the Seller to accept that lesser deposit as part of the terms of the Contract.

If the deposit exceeds 10% of the purchase price then what is known as an "instalment contract" is created and you should not pay a deposit that exceeds 10% without us explaining to you clearly your rights and obligations under an instalment contract.

5 AFTER CONTRACT

Once the Contract has been signed the Agent will forward your copy of the Contract to us. From then, your worries and concerns are at an end and we will:

- take care of the matter and protect you;
- provide you with a detailed Information Kit that tells you all you have to do at any time;
- update you constantly as the matter progresses;
- guide you smoothly through the entire process;

- give you a detailed written summary of the transaction when it is completed including all financial dealings; and
- give you the Qld Law Group's complete conveyancing service.

If you have any concerns then make them our concerns and call us. Our role is to make what otherwise may seem to be a daunting experience simple and "stress free" for you.

Don't forget that you will need to:

- make any application for finance you need;
- arrange any building, pest or pool inspections you need; and
- take out a cover note of insurance.

6 DISCLAIMER

The information contained in this Guide is of a general nature to help explain a typical purchase of a home.

Each purchase is unique and the Qld Law Group would be happy to provide you with specific advice about any purchase you may make.

You should place no reliance on this Guide for your specific transaction and the Qld Law Group gives no warranty that the information is either correct or current. Any reference to an amount is an example only and may not be correct. If in this Guide a reference is made to a third party, the Qld Law Group is not making any recommendation that you use that third party and you should make your own enquiries and satisfy yourself as to the merits of that third party before engaging their services.

**We are available at any time to help you buy a property in Queensland
or in over 60 countries around the world.**

We offer you:

Real People

Real Service

Real Solutions

QLD LAW GROUP

We will help you to buy and sell:

Houses, Land, Businesses
Commercial Properties

deal with:

Wills and Estates
Debt Collection
Criminal Charges
Family Law Issues

establish:

Businesses
Companies
Trusts
Franchised Systems

and give you the best professional litigation advice in:

Commercial Disputes
Motor Accident Claims
Personal Injury Claims
Public Liability Claims
Property Damage Claims
Work Accident Claims
Building Disputes

Where you need us:

6 offices in Queensland
6 Member offices in Australia
150 member offices around the world



BRISBANE
Level 1
262 Adelaide Street
Brisbane, Qld. 4001
Tel: (07) 3221 8000
Fax: 07 3229 9090
G.P.O. Box 1405
Brisbane, Qld. 4001



GOLD COAST
Level 1 Stradbroke Plaza
66 Marine Parade
Southport QLD 4215
Tel: 07 5591 5511
Fax: 07 5591 5583
P.O Box 744
Southport, Qld. 4215



SPRINGWOOD
Suite 1
10 Cinderella Drive
Springwood, Qld. 4127
Tel: 07 3208 8000
Fax: 07 3208 8726
P.O. Box 512
Springwood, Qld. 4127



BURPENGARY
Highway Shopping Village
17-21 Progress Road
Burpengary, Qld. 4505
Tel: 07 3888 3555
Fax: 07 3888 4732
P.O. Box 2
Burpengary, Qld. 4505



WOODFORD
(visited office)
L.J. Hooker House
124 Archer St
Woodford, Qld. 4514
Tel: 07 5495 1646
Fax: 07 3229 9090



GOODNA
(visited office)
Unit 4
96 Brisbane Terrace
Goodna, Qld. 4300
Tel: 07 3208 8000
Fax: 07 3208 8726
P.O. Box 512
Springwood, Qld. 4127

www.qldlawgroup.com.au



QLD LAW GROUP
- A New Direction Pty Ltd