



Your Settlement Guide to Buying and Selling Real Estate

Riverside Settlements services the Western Australian Real Estate Market

Riverside Settlements

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THE RIVERSIDE SETTLEMENT MISSION STATEMENT

Our Promise to you

We will act in a professional and ethical manner at all times.

We will conduct your settlement with a minimum of fuss

We will keep you informed of the progress of your settlement

We pay attention to detail

THE SETTLEMENT PROCESS

Each property settlement is unique and may have conditions or restrictions governing the settlement. Whether residential, investment, vacant land or commercial; buying or selling your property is just the beginning.

Your settlement agent has important responsibilities throughout the settlement process. There are four major government departments that need to be informed of every settlement. They are Landgate, the Office of State Revenue, Local Rating Authority and the Water Corporation. In some instances other departments may need to be contacted such as the Department of Planning and Infrastructure, Heritage Council etc.

We appreciate that buying and selling property can be quite daunting regardless of if you have bought or sold before, are an investor or a first home owner.

It is important for you to remember that you have the right to choose the settlement agent who will complete your transaction, and you can change your settlement agent at any time during the settlement process.

Riverside Settlements is an Independent Real Estate Settlement Agent who is dedicated to work in your best interest at all times. As your settlement agent we will act on your behalf to make your settlement as stress free as possible.

A Guide to Your Real Estate Purchase

Your Rights

You have a right to have your Settlement Agent act in your best interest at all times. These rights are detailed in the Appointment to Act document and, where applicable, the Disclosure of Interest document.

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 financial information on your behalf, which you think is 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 the documents quickly, particularly when the time frame for settlement is short or if the mail is likely to take longer than the standard one business day.

Take prompt action concerning any Special Conditions, which you have either stipulated or may need to satisfy, in your Contract for Sale by Offer & Acceptance.

Make sure that payment of any monies, e.g. deposit or balance of deposit, is made by the date set out in the Contract.

If you plan to be away during the period leading up to settlement, make sure any necessary documents have been signed and notify your Settlement Agent of your alternate contact details. For example the Transfer of Land document must be an original copy and therefore cannot be faxed or e-mailed, whereas many other authorities do not need original signatures so fax and email are ok.

Finance

If you require finance to complete the purchase, whether or not your Contract is conditional upon you accepting a loan offer from a financial institution, ensure that you take immediate steps to obtain the loan.

Attend promptly to any request by the financial institution concerned to sign documents to avoid delays in settlement.

Once you have accepted a loan offer you should contact your Settlement Agent and let them know that the loan is approved and advise the date on which you accepted the offer of finance. If your Lender is to be ready to settle on time, you will need to make an appointment to sign your Mortgage documents at least one week prior to the due settlement date. If you are dealing with a finance broker, please contact the broker who will assist you to find out from the Lender when the documents will be ready for you to sign. The Lender will advise you of any application, mortgage preparation fees or stamp duty which are payable in respect of the mortgage. The Lender's fees and disbursements WILL NOT be included in the Settlement Statement you receive from your Settlement Agent, however they may be deducted from your loan funds at settlement, therefore increasing any balance amount that you may need to pay or have available prior to settlement.

Documentation and Settlement Statement

Your Settlement Agent will send you a 'Transfer of Land' document for your signature/s, together with an initial Settlement Statement which will show amounts payable by you in respect of stamp duty, settlement fees and other disbursements. You should promptly sign and return the documents, together with a cheque for any funds requested. The statement will either apportion current rates and taxes or include an amount to be held in a trust account pending receipt of the relevant details. If you receive any accounts for rates from either the Water Corporation or the Local Government Authority soon after the settlement date, you should contact

your Settlement Agent before making payment, as these accounts may already have been paid following settlement.

Stamp Duty Rebates

Depending on the purchase price of the property, you may qualify for a concession, rebate or exemption on the stamp duty where you reside in the property even if you are not a first home buyer. Currently this applies to property up to a value of \$200,000.00. First home owners MUST be approved to receive the First Home Owners Grant to be also eligible for the First Home Owners rate of stamp duty on the contract. On purchase of an established home the threshold is a purchase price of \$500,000 with concessions up to \$600,000 and on vacant land it is \$300,000 with concessions up to \$400,000. Fact Sheets are available on the Office of State Revenue website at www.osr.wa.gov.au.

Rate & Service Enquiries

Your Settlement Agent will make enquiries on your behalf to the Water Corporation (concerning the availability of services and the current or outstanding rates), to the relevant local authority (concerning rates, building licenses issued, orders and requisitions and housing indemnity insurance details) and to the Office of State Revenue (concerning any current or outstanding land tax). Fees are payable to the authorities concerned to provide this information. Your Settlement Agent will advise you of the fee which applies in the case of your property and include it in your settlement statement. Responses to the enquiries mentioned above are not always received prior to the settlement date in the case of a short settlement time. You might, therefore, wish to make your own enquiries direct with the Water Corporation concerning availability of services (connection to water and sewerage and any building restrictions which might apply) and with the Local Government Authority concerned to ensure that there are no outstanding orders or requisitions which apply to the property.

Building Licenses

Unless specifically requested, your Settlement Agent will not make enquiries with the Local Government Authority in relation to approved buildings on the property. In many dwellings and structures built before 1990 records are not easily obtained and further fees and extended time periods apply to obtain the same from the Local Government Authority. If you consider that a patio, shed, games room or extension of a building was possibly erected after the main dwelling was built, you should refer your query to the real estate representative who will make initial enquiries of the Seller. Where the Seller was the owner of the property at the time these structures were built they may have retained the approvals thus reducing the time money and effort required to obtain this information.

Sewer Lines

If the property is not connected to sewerage then, in certain circumstances, it may be your responsibility to connect to the sewer line either within one year of the date of settlement or within 5 years of the Water Corporation issuing a notice to you to connect to sewerage.

Septic Tanks

Under the Health Act, if the property you are purchasing is connected to a sewer and septic tanks are still on the property and have not been de-commissioned, then within sixty days of settlement, you must de-commission any septic tanks on the property.

De-commissioning is done by:

- Emptying the tank by a person licensed to do so.
- Either removing the tank, or if that is not practical, breaking up the base of the tank.
- Back-filling the tank with clean fill and compacting.

Home Indemnity Insurance

If a building license was issued after 1 February 1997 for a dwelling or for substantial improvements of a value of \$12,000.00 or more, the builder (including an owner builder) must have home indemnity insurance for the

work. From 1 July 2007 the \$12,000 value limit was raised to \$20,000. You will need details of the insurance in the event you need to make a claim for structural defects within the period of the insurance. If you believe this applies in your situation, contact your Settlement Agent so that they can attempt to obtain the necessary details.

Owner Builders are not required to take out home indemnity insurance before they can build or undertake substantial improvements, but **MUST** do so if they sell the property within seven years of obtaining an owner builder license from the local authority.

An owner builder **IS NOT** permitted to sell the property within 3 years of obtaining their owner builder license without receiving permission from the Minister of Fair Trading, through DOCEP.

Strata Title Properties

If the property you are buying is a strata title property, the Strata Titles Act states that you must receive a disclosure statement (Forms 28 & 29) either prior to, or at the time of, making your offer to purchase the property. If you have not yet received the required disclosure information, the law gives you rights to avoid the contract. Contact your Settlement Agent if you have any queries and they will refer you for legal advice if necessary.

Inspection of the property

Your Contract gives you the right to a final inspection of the property on one occasion within 5 business days before the settlement date or possession date. You should contact the real estate agent concerned and make arrangements to inspect the property to ensure that it is in the same state and condition as it was when you made your offer to purchase. If your contract has a condition which states that certain items are to be in working order at settlement or if it states that repairs are to be carried out by the Seller, you will need to check that these have been attended to satisfactorily and that the items mentioned are in fact working.

Keys

You Settlement Agent will notify you once settlement has taken place, at which time you should contact the real estate agent concerned to arrange to collect the keys and any other security devices to the property. If the property is the Seller's normal place of residence, the Seller is entitled to stay in possession, i.e. occupy the property, until 12.00 noon on the day following settlement. That provision is intended to allow adequate time for the Seller to vacate the property.

After Settlement

If a Mortgage is to be registered on the property by your Lender, the Certificate of Title will be held by the Lender as security for the loan. If you are paying "cash" for the property, we will forward the Certificate of Title to you by registered mail once it has issued back from Landgate. We recommend that you make arrangements for safe keeping of the Certificate of Title since it can be difficult and expensive to replace. You might, for example wish to make arrangements for the Title to be held in a safe custody packet with your Bank.

Safety Switches (RCD'S)

New legislation has passed and comes into effect on 9 August 2009 by the State Government to enforce owners and landlords to install a minimum of two safety switches to each residential property if one or both are not in existence.

Safety switches became mandatory in new houses after 1990. Since 2000 this was expanded in WA to require at least two for each new house.

A Guide to Your Real Estate Sale

Your Rights

You have a right to have your Settlement Agent act in your best interest at all times. These rights are detailed in the Appointment to Act document and, where applicable, the Disclosure of Interest document.

Your Obligations

You have an obligation to bring to your Settlement Agent's attention any matters that you think may affect your interests in the transaction. This is especially important where the Settlement Agent prepares financial information on your behalf, which you think is incorrect, or where you intend to vary the settlement date or give 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 the documents quickly, particularly when the time frame for settlement is short or if the mail is likely to take longer than the standard one business day.

Take prompt action concerning any Special Conditions, which you have either stipulated or may need to satisfy, in your Contract for Sale by Offer & Acceptance.

Make sure that payment of any monies, e.g. deposit or balance of deposit, is made by the date set out in the Contract.

If you plan to be away during the period leading up to settlement, make sure any necessary documents have been signed and notify your Settlement Agent of your alternate contact details. For example the Transfer of Land document must be an original copy and therefore cannot be faxed or e-mailed, where as many other authorities do not need original signatures so fax and email are ok.

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

Your Settlement Agent 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 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, your Settlement Agent will require you to forward or deliver the Title to their 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, you will be issued with a receipt for the Title which will be held by the Settlement

Agent and handed to the Buyer's representative at settlement, in exchange for the correct balance of purchase price.

Settlement Statement

Your Settlement Agent 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, you will receive 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, you must forward the accounts to your Settlement Agent so that they 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 your Settlement Agent 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, contact your Settlement Agent 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, Settlement Agent must have a copy of the insurance policy or details of the policy so that they 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.

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. It's important that you provide your Settlement Agent with your forwarding address in the event that they need to contact you following settlement.

Safety Switches (RCD'S)

New legislation has passed and comes into effect on 9 August 2009 by the State Government to enforce owners and landlords to install a minimum of two safety switches to each residential property if one or both are not in existence.

Safety switches became mandatory in new houses after 1990. Since 2000 this was expanded in WA to require at least two for each new house.

Residential premises occupied by an owner

Except as provided in regulations 16(1) and 17, an owner of residential premises that are occupied by an owner must ensure that at least two (2) residual current devices / safety switches are installed in relation to the premises:

- before title to the premises is transferred; or

- before the owner enters into a residential tenancy agreement in respect of the premises; or
- before the owner makes the premises available for hire.

Penalty: in the case of an individual – a fine of \$15,000

In the case of a body corporate – a fine of \$100,000

Residential premises not occupied by an owner

Except as provided in regulations 16 (1) and (3) and 17, an owner of residential premises that are not occupied by an owner must ensure that at least two (2) residual current devices / safety switches are installed in relation to the premises:

- before title to the premises is transferred; or
- before the owner enters into a residential tenancy agreement in respect of the premises with someone other than a person who was a tenant (as defined in the Residential Tenancies Act 1987 section 3) of the premises immediately before the commencement day; or
- unless the premises were made available for hire immediately before the commencement day – before the owner makes the premises available for hire; or
- in any event, before the second anniversary of the commencement day.

Penalty: in the case of an individual – a fine of \$15,000

In the case of a body corporate – a fine of \$100,000

Common Property relating to residential premises

Except as provided in regulation 16(4), an owner of common property relating to residential premises must ensure that at least one residual current device / safety switch per switchboard is installed in relation to the property before the second anniversary of the commencement day.

Penalty: in the case of an individual – a fine of \$15,000

In the case of a body corporate – a fine of \$100,000

About Riverside Settlements

Based in Mandurah Western Australia, Riverside Settlements is a proudly independent Real Estate Settlement Agent specialising in real estate settlements and Land Titles procedures.

With a background including Banking and finance Jan Bullen is the Licensee and holds a Settlement Agents License as required by the Settlement Agents Act 1981 and a Diploma in Financial Services (Conveyancing).

As your Settlement Agent we will ensure the following tasks are completed on time and with a minimum of stress.

- We will make the relevant searches to ensure all property details are correct.
- We will prepare all documents for your signature before settlement.
- We will liaise with your bank for updates on your finance or discharge of mortgage.
- We will liaise with your real estate agent for satisfactory completion of special conditions.
- We will inform the Local Shire of the change of ownership details.
- We will lodge your documents for stamp duty purposes.
- We will ensure all rates and taxes are paid at settlement.
- We will keep you informed of the progress of your settlement.
- We will attend settlement on your behalf.
- We will search Landgate after settlement to monitor the progress of your transfer and send you the Duplicate Certificate of Title or a copy of same.
- We will act in your best interests at all times.

As your Settlement Agent there are a couple of things we don't do, they include:

- We do not inform Telstra or your telephone carrier of change of ownership.

- We do not inform Western Power of change of ownership.
- We cannot communicate with Telstra or Western Power for privacy reasons.
- We do not organize your insurance.
- We do not arrange your removalist. Although we will liaise with you to ensure that your booking coincides with the terms of settlement.
- We do not arrange for your property to be cleaned once you leave.
- We do not generally hold the keys to a property, however, if you are a private seller we will be glad to hand over the keys to the purchaser after settlement.
- We do not help you pack. (Sorry you are on your own there!)

We hope that you have found the information in this free eBook helpful, if you have any questions regarding your settlement transfer or your real estate transaction please don't hesitate to contact Jan Bullen on 08 9583 4624 or email Jan@riversidesettlements.com.au.

DON'T FORGET TO CHANGE YOUR DETAILS

Family and Personal

- | | |
|---|---|
| <input type="checkbox"/> Schools | <input type="checkbox"/> Employer |
| <input type="checkbox"/> Library | <input type="checkbox"/> Club Memberships |
| <input type="checkbox"/> Blood Bank | <input type="checkbox"/> Red Cross |
| <input type="checkbox"/> Insurance | <input type="checkbox"/> Post Office Mail Redirection |
| <input type="checkbox"/> Chiropractor | <input type="checkbox"/> Vet |
| <input type="checkbox"/> Dog Licence | <input type="checkbox"/> Private Health Fund |
| <input type="checkbox"/> Doctor | <input type="checkbox"/> Dentist |
| <input type="checkbox"/> Childcare Provider | |

Utilities

- | | |
|--|--|
| <input type="checkbox"/> Telephone Company | <input type="checkbox"/> Mobile Phone Provider |
| <input type="checkbox"/> Synergy / Horizon Power | <input type="checkbox"/> Alinta Gas |
| <input type="checkbox"/> Internet Service Provider | |

Household Services

- | | |
|---|---|
| <input type="checkbox"/> Newspaper Delivery | <input type="checkbox"/> Magazine Subscriptions |
| <input type="checkbox"/> Lawn Mowing Services | <input type="checkbox"/> Pest Control |

Financial

- | | |
|--|--|
| <input type="checkbox"/> Banks | <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Credit Card Providers | <input type="checkbox"/> Retail Stores Debit Cards |
| <input type="checkbox"/> Superannuation Fund | <input type="checkbox"/> Stock Broker / Shares Company |

Government Authorities

- | | |
|--|--|
| <input type="checkbox"/> Australian Electoral Commission | <input type="checkbox"/> Post Office |
| <input type="checkbox"/> WA DPI (Car Registration) | <input type="checkbox"/> Australian Tax Office |
| <input type="checkbox"/> Department of Foreign Affairs | <input type="checkbox"/> Licencing (car / boat / bike) |
| <input type="checkbox"/> 3rd Party Insurance | <input type="checkbox"/> Centrelink |
| <input type="checkbox"/> Lotteries Commission | <input type="checkbox"/> Medicare |

The Riverside Settlements Privacy Statement

We respect your confidentiality at all times. We are committed to protecting the privacy of your information. We collect only information that is pertinent to your settlement. Personal information is information that directly or indirectly identifies a person. Any information collected will not be disclosed without your consent

Any information we collect on your behalf is protected by the Privacy Act 1988 Under the National Privacy Principles you have a right to know what information we hold about you. By law we must keep all records of your transaction for a number of years. At the end of that time we guarantee that all information is destroyed in a secure manner

For more information regarding the privacy laws refer to:
www.privacy.gov.au

The information provided in this document is written as a guide and to help your property settlement proceed with maximum efficiency, and by the due date for settlement. 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 queries concerning matters not covered by the guide or any other matters relating to your particular transaction.