



Buying a Home in Queensland

In Queensland, the buying and selling of homes is regulated by the Queensland Government to protect consumers. Real Estate Agents are required to comply with a strict code of conduct. Terms and conditions of sale are standardised on a contract developed by the Real Estate Institute of Queensland and Law Society. The following steps apply to a typical sale by private treaty (not an auction and not a sale through a buyer's agent).

STEP 1: INFORM AGENT OF YOUR INTENTION TO MAKE AN OFFER

- Tell the agent you would like to make an offer. If you are interested in the property, don't procrastinate or you are likely to be disappointed.
- Usually the offer is made on the standard contract document. Sometimes an agent will take an Expression of Interest which is not a contract but has sufficient information to put an offer before a seller.
- Verbal offers have no value. Good agents will not take them.
- Decide what price you wish to offer for the property based on your knowledge of the area and comparative sales. You should discuss this with the agent.
- Consider what date would be convenient to settle the transaction - that is, when you would like to move in.
- Will the offer be subject to any conditions? Typical conditions are "subject to finance" and "subject to building & pest inspection".
- If you need to sell your own home first, speak to the agent about whether the sellers would consider a conditional offer. Being "subject to sale" tends to be a weaker offer and is often not acceptable to sellers, or requires a higher price to be offered.
- Have you chosen a solicitor or conveyancing firm? If you don't have one, the agent may be able to suggest several to choose from.
- Do you have a personal relationship with a financial institution. Many people don't, so if so you might want to ask the agent for the name of a mortgage broker or two.
- Are you a foreign buyer? Check Aust Govt rules about foreign purchase. <http://firb.gov.au/real-estate/>

STEP 2: AGENT TAKES YOUR OFFER

- The agent will sit down with you and discuss the property, and take your offer. Remember, the agent is obliged by law to try to negotiate the highest price for the property owner. At the same time, the agent needs to achieve a sale for the owners which is an incentive.
- Once you are satisfied with the terms and conditions, sign the contract/expression of interest and the offer will be submitted to the sellers for their consideration.
- The sellers may accept the offer, reject the offer, or make a counter-offer.
- You may need to make a further counter-offer to respond to the sellers counter.
- Sometimes several counter-offers are made.
- Some owners will "sit on" an offer and wait to see if better offers come from other buyers. As a buyer, you can put a time limit on your offer, after which time it is withdrawn.

STEP 3: NOTIFY BANK, SOLICITOR

- Once agreement has been reached between buyers and sellers, the contract is dated. Buyers have a 5 business day cooling off period from the contract date.
- The agency should send you and your nominated solicitor a copy of the contract.

- Pay the deposit within the period required to the agency's Trust Account (usually specified on the contract).
- Notify your bank/broker and send them a copy of the contract, so they can begin the process for loan approval for the property. The bank will normally undertake a valuation on the property.
- Notify your solicitors so they can start the process of due diligence on your behalf. They will send a list of searches to be undertaken to check the property is legitimate and the owners nominated in the contract are able to sell it.
- Ensure you insure the property as soon as you sign the contract and pay the deposit.

STEP 4: BUILDING INSPECTION

- If the contract is subject to building & pest inspection you need to contact an inspector to arrange this. It must be undertaken prior to the date specified in the contract. Normally the agent and the buyer will attend the building inspection. The agent may be able to suggest building inspectors (ask for three to four names).
- The purpose of the building report is to identify significant structural problems or pest damage, not to use to gain a price reduction for minor maintenance issues.
- It is not the seller's responsibility to have their house in pristine condition, especially if it is some years old.
- Building reports are often drafted by lawyers, so they contain clauses designed to prevent people suing the building inspector. As a result, reports read quite negatively, and it is important not to be put off by this legalistic wording.
- If you have issues with the building report, discuss them with the agent before pulling out of the contract.

STEP 5: FINANCE CONDITION

- Most contracts are subject to finance. This means the bank/financier has to approve a loan and the purchase cannot be finalised unless this is done.
- Ensure you provide the paperwork required within timeframes so that there are no delays in this condition.
- If the deposit is paid in two stages, which is common, ensure the final deposit is paid by the contracted date.

STEP 6: UNCONDITIONAL

- Once all the "subject to" clauses have been satisfied, the contract becomes "unconditional" which means the property is yours, pending settlement.
- Arrange with removalists well ahead of time so the move can be scheduled without problems.
- Arrange for relevant utilities to be notified your change of address and for supplies to be disconnected at settlement date.

QUESTIONS?

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