



BUYING AN ESTABLISHED HOME

YOUR **FREE** GUIDE WITH COMPLIMENTS FROM **ALL ABOUT CONVEYANCING**

Buying an established home.

Once you have found the home of your choice, the following steps need to take place:

Negotiate a Sale Price

Firstly, it will be up to you to negotiate a price with the Vendor. You would normally do that through the agent. If you cannot come to an agreement on a price, then the rest is immaterial. If you do agree a price, then give the name and contact details of your Licensed Conveyancer to the agent. They will lead you through the next steps. If you are using All About Conveyancing, our details are:

All About Conveyancing

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Exchange of Contracts

This is the milestone in your purchase because after you have exchanged, the terms of the contract are binding between both parties and until the exchange, nothing is binding on either party. Sometimes, your agent will want you to sign a contract so that they can exchange contracts straight away. Keep in mind that your due diligence is probably not complete yet, but that's ok because you will have a "cooling-off" period. The cooling off period is for 5 working days (normally 1 elapsed week). The advantage to you is that the Vendor does not get the benefit of the cooling off period; only you do, so you have effectively committed the sale to you providing your due diligence is all positive. If the agent does not ask you to sign a contract, then your Licensed Conveyancer will do that at the appropriate time after discussion with you. You might decide it best to wait until your due diligence is complete and then waive any further cooling off period.



Due Diligence

This is the part of the transaction where your Licensed Conveyancer proves their real value; it is the most important part of the transaction and must be done before your contract becomes unconditional (ie. before the cooling off period expires or before you exchange a contract without a cooling off period). It is here that the risk in your transaction can be eliminated or at least be brought to your attention so that you enter the transaction with your eyes open. The following steps would be the normal due diligence steps but of course, the depth of them will depend on you and what you are buying:

Finance:

It is important that if you are borrowing, you have an unconditional loan approval. One of the terms of the contract is the settlement date and you need to know that the funds will be available on that date.

Inspections:

All inspections are optional but most buyers would obtain pre-purchase inspections. This utilises professional inspectors to investigate the quality of the home. They will know what to look for and they will have equipment to help them that you do not have access to yourself. The most common inspections are pest and building inspections, but depending on the circumstances, there are others such as electrical, plumbing, septic system, survey, council compliance, etc. Ultimately you are trying to determine whether the price you are paying reflects what you are buying and your Licensed Conveyancer will be able to assist with those inspections.

Contract:

The contract normally deals with the land component and discloses certain things that you are probably unaware of at this stage. Your Licensed Conveyancer will review the contract and make sure you are aware of all those issues. It is important you let your Licensed Conveyancer know of your intended use of the land.

