

Guide to Settlement.

For Sellers



Real Estate

What to expect now my property is Under Offer

Congratulations on selling your home with Elders Real Estate. This document is designed to help you understand the different elements that may be involved in the settlement of your property, and what your obligations as the Seller are.

We have tried to include everything you need to know. If you have any questions or concerns, or need help with anything at all, please contact your Elders Real Estate Sales Representative ('Sales Rep') or our client support team at any time.

Appointment of a Settlement Agent

The settlement process is handled by your nominated settlement agent (or solicitor) and they will liaise with you to ensure completion of all the necessary documents and processes required for settlement. We will provide your agent with a copy of the Contract for Sale ('Contract') and stay in touch with them throughout the process to ensure a smooth transition to settlement. You should also contact your nominated settlement agent as a matter of priority to complete all required documentation.

If you did not nominate a settlement agent in the Contract, please nominate one as soon as possible and advise your Sales Rep or our client support team.

Marketing

If your Contract includes conditions such as finance, pest inspection, etc, we typically continue to advertise your property as being 'For Sale'. This enables us to keep the property alive in the marketplace and to try and secure 'back-up' interest; this means that if for some reason your existing Contract falls over, we have another Buyer in place ready to go.

When all the conditions of the Contract have been met, we will mark the property as 'Under Offer' in print media and on all web-portals and place a 'SOLD' sign at the property.

Finance

If your Contract is 'Subject to Finance', your Buyer must provide a written 'finance approval' notice to your Sales Rep by 4pm on the due date specified in the Contract (or the first weekday thereafter if this day falls on a weekend).

Should the Buyer not meet this deadline, you can either give them more time, or opt to terminate the contract, although there is a bit more complexity than this! Your Sales Rep will monitor the finance situation and discuss progress with you, as well as options if it looks like finance will not be secured by the due date.

Existing Mortgage

If you have a mortgage on the sale property, it is your responsibility to notify your financier that you are selling the property and you need to arrange a Discharge of Mortgage. These sometimes take an extended period to arrange so it is best to contact your bank as soon as possible and follow their instructions. Sometimes delays in discharging mortgages can result in penalty charges being applied to the Seller, which is obviously a situation best avoided.



Structural Inspection

The Buyer of your property may have requested a Structural Inspection as part of the Contract to ensure the home is structurally sound.

The relevant inspector will contact you to arrange access to your home. Inspections generally take between 1 and 3 hours and require as much access as possible to the property including access to roof and underfloor spaces – please make this possible to avoid the requirement for a second visit, and delays in completing the Contract. The inspector will not be accompanied by your Sales Rep and it is your choice whether you are present at the property during the inspection. If you will not be home, it is normal practice for us to provide keys to the inspector. You do not need to worry about this, they are trusted contractors!

The building inspector will provide a written report to the Buyer for overview. If the report identifies major structural defects (which is unusual) the Buyer has 3 business days to formally raise concerns, at which point you have 5 business days to formally respond. If this happens your Sales Rep will be in close contact with you to discuss options and help you to find the best way forward.

Pest Inspection

Your Buyer may have requested a Timber Pest Inspection as part of the Contract to ensure the home is free from live timber pests or timber pest damage. For information, timber pests include termites, borers and wood decay under Australian Standards.

The process for the Pest Inspection is identical to the Structural Inspection – please ensure full access is granted to the property. Any live timber pests must be treated, and any timber pest damage must be rectified, for the contract to proceed. If there is an issue your Sales Rep will be in close contact with you to ensure the issue is resolved in the best way possible, so we can move towards settlement.

Insurance

We strongly recommend you maintain your insurance on the property until the end of the day following settlement. Contact your insurance broker and follow their advice.

Foreign Resident Capital Gains Withholding Tax

If your property has sold for \$750,000 or above, you will need to apply for a 'Capital Gains Withholding Clearance Certificate' to avoid 12.5% of the purchase price being withheld at settlement. Your settlement agent will be able to assist you with this. For more info go to ato.gov.au/frcgw or contact your Sales Rep.



Pre-Settlement Inspection

Your buyer has the legislated right to complete a Pre-Settlement Inspection of the property, even if it is vacant land. This is completed with your Sales Rep within 5 business days prior to settlement with two goals:

1. To ensure the property is in the same condition as when the Contract was written (eg: no damage, nothing missing etc); and
2. To ensure that everything relevant is working (electrics, lights, fans, appliances, heating & cooling, hot water, etc)

Unless specified in the Contract, everything in the property should be in working order. Anything identified during this inspection requiring fixing or replacement must be remediated prior to settlement. It is highly recommended that as a Seller you run through the property prior to this inspection being undertaken; it is much simpler and less stressful for you to identify issues early, rather than trying to secure trades etc in a short timeframe.

Please note, gardens are included in this inspection; if you had the lawns mowed and beds weeded at the point of sale, they need to be the same when the property is handed over.

Your Sales Rep will liaise with you to arrange a suitable inspection time.

Settlement

The exact time of settlement will be booked by your Settlement Agent in the few days prior to the settlement date. If you are selling your primary residence, you have until 12 noon the following day to vacate the premises; if the property is not your primary residence, the property must be vacated by settlement.

We will continue to stay in touch with your nominated settlement agent regarding progress of your offer.

Obligations on Vacating the Property

As per your Contract, you are legally obliged to remove all loose items not included in the sale from the property when you leave. It is not OK to leave rubbish, bits of timber, unwanted equipment, etc at the property unless this is by prior arrangement with your Buyer.

You must hand over all keys to the property along with any remotes and anything else used for access. All of the above should be given to your Sales Rep; alternately you can leave keys in the kitchen drawer if your Sales Rep has their own set to let the Buyers in.