

Burchell Higgins

PROPERTY SALES

When purchasing a home, land, or investment property, a contract of sale must be signed. The legal work involved in preparing this contract, as well as the mortgage and other related documents, is called conveyancing. While it's possible to handle conveyancing yourself, most people hire a licensed conveyancer or solicitor to do this work.

The contract of sale is a crucial document that cannot be ignored. A residential property cannot be put on the market until this contract has been drawn up. It contains essential terms and conditions of the sale and valuable information about the land. If you're interested in a particular property, it's crucial to request a copy of the contract as soon as possible. Your solicitor or conveyancer can review it and make any necessary changes on your behalf.

Exchanging contracts legally completes the process of buying a home. Prior to this point, the agreement is usually not binding, and either you or the vendor have the right to change your minds. After consulting with your solicitor or conveyancer and making the necessary financial arrangements, you'll be ready to exchange contracts. At this time, you'll be required to pay a deposit.

There is typically a cooling-off period of five business days after exchanging contracts for a residential property in NSW. This period allows you to get out of the contract as long as you give written notice. However, the cooling-off period is longer for off-the-plan properties, and it doesn't apply if you buy a property at auction or exchange contracts on the same day as the auction after it is passed in. You can waive or extend the cooling-off period by written agreement with the vendor.

Settlement usually takes place about six weeks after exchanging contracts. At this time, you'll pay the rest of the sale price and become the legal owner of the property. To perform the settlement electronically on your behalf, you must engage a lawyer or licensed conveyancer who is a subscriber to an Electronic Lodgment Network. This involves providing the subscriber with a written Client Authorisation, photo identification documents, and evidence of your land ownership to establish your identity and right to deal in the land.

Your subscriber will then electronically prepare the relevant documents and financial information, including entering EFT or BPAY details, without the need for cheques or

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paper documents. In the lead-up to and on settlement day, your solicitor or licensed conveyancer will ensure that all documents and financial information are accurate. If everything is ready, settlement will automatically occur at the scheduled time, and the finances will be electronically disbursed as directed and authorised, while the relevant documents will be electronically lodged at the NSW Land Registry Services for examination and recording or registration.

If you're buying property at auction, different rules apply, which can be found on the buying property at an auction page. For further information, visit the sale contracts page. It's important to maintain regular contact with your solicitor or licensed conveyancer throughout the settlement period to ensure that your property is on track to settle on time. Additionally, it's recommended that you conduct a final inspection of the property on the morning of settlement day to ensure that it's in the same condition as when contracts were exchanged.

The above information has been taken from the NSW Dept Fair Trading website. The State of New South Wales, acting through NSW Fair Trading, supports and encourages the reuse of its publicly funded information.

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