



PURCHASE FACTS

1. **What information am I required to give my Conveyancer before purchasing a Property?**

You are required to provide a copy of your Identification. This will be required by Status for the purpose of submitting information required by the Office of State Revenue for payment of stamp duty on the Contract.

2. **What should I consider when purchasing Property?**

Generally, you should:

- (a) consider whether you are satisfied with the location, zoning, permitted use and condition of the Property;
- (b) decide if you need to obtain any pre-purchase inspections, such as building and/or pest inspections. If a swimming pool is within the Property, you may wish to consider obtaining a swimming pool inspection also.
- (c) inspect the Property diligently yourself. You may wish to turn on taps (in several rooms at one time to test water pressure), check that appliances are working, lights, etc.
- (d) question the adjoining owners if they intend to or aware of any proposals for development in the vicinity of the property that may have an adverse effect on the salability of the property in the future.
- (e) ensure that you will have sufficient funds to complete the purchase contract. That is, ensure you are pre-approved for any finance that you may require and not enter into an unconditional Contract until your loan is approved unconditionally in writing;
- (f) before making an offer to purchase, consider the cost for any work that needs to be carried out at the Property that may be negotiated as a reduction on the price.
- (g) ensure that you understand the Contract terms and conditions, including all your obligations and responsibilities, timing for things to be done, etc.

Status is here for you along every step of the way and is happy to help you with any concerns or issues you may have.

3. What is a cooling off period?

Under the Conveyancing Act (NSW) 1919, a Purchaser is entitled to a minimum 5 business day cooling off period under a Contract for Sale of Land of *residential property*. The cooling off period may be extended if mutually agreed to between the parties.

During this time, the Purchaser should ensure that he/she is satisfied with the condition of the Property and has obtained unconditional written loan approval.

If a cooling off period is to apply, a selling agent will generally request the Purchaser to sign the Contract and make payment of 0.25% of the Purchase Price. The balance of the agreed deposit will become payable no later than 5:00 pm on the last day of the cooling off period.

If the Purchaser elects not to proceed with the Contract prior to the expiration of the cooling off period, then the Purchaser may rescind the Contract, however will forfeit to the Vendor the 0.25% of the Purchase Price paid.

Alternatively, a Contract may be entered into unconditionally. In this scenario, the Purchaser should not execute the Contract with the selling agent. Status, as your Conveyancer, will be required to provide a certificate stating that the terms of the Contract have been explained to the Contract, that the Purchaser has the right to a cooling off period (in the absence of the certificate), and the effect of giving the certificate is that that right is waived. It is recommended that unconditional written loan approval and all necessary inspections are carried out prior to entering into a Contract in this way. Also all terms of the Contract are to be agreed to before it is exchanged.

Purchasers' should also be aware that, if a Property is marketed for sale by Auction, the Contract shall be deemed legally binding immediately on both parties if the Contract is entered into on the date set for the Auction.

The full agreed deposit shall be required to be paid by a Purchaser upon entering into an unconditional Contract.

4. How much will I need to pay in stamp duty?

In accordance with the *Duties Act 1997*, Stamp duty is payable on Contracts for Sale of Land by the Purchaser on or before the earlier of settlement of the Contract or within 3 calendar months from the Contract Date. However, if you are purchasing off the plan, stamp duty may be deferred for a period of up to 15 months from the Contract Date. (Note: this deferral does not apply to vacant land purchases).

A calculator for the stamp duty payable is accessible at:

<https://www.apps08.osr.nsw.gov.au/erevenue/calculators/landsalesimple.php>

5. What forms of deposit are acceptable?

Usually, a 10% deposit is payable by a Purchaser upon exchange of Contract. This can be paid by cash, personal cheque or (if agreed between the parties) by deposit bond/guarantee.

If a cooling off period applies, 0.25% of the Purchase Price is payable upon exchange of Contracts and the balance of the agreed deposit is then payable no later than 5:00 pm on the expiration of the cooling off period.