

MATTHEWS DOOLEY & GIBSON

SOLICITORS & ATTORNEYS

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IMPORTANT INFORMATION FOR PURCHASERS REGARDING THE PURCHASE OF PROPERTY

BLACKTOWN

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The following information is of great importance to **all purchasers** of land, houses and units. We ask that you read this letter carefully and, in the event that you have any queries as to any of the contents or do not understand anything in this document, you should contact the person handling your matter immediately. This document should be retained by you throughout the course of your matter.

PRACTICAL MATTERS

It is our experience that the time taken to complete the transactions is of paramount importance to everyone. Please note:

BAULKHAM HILLS

Suite 13
"Carrington Court"
35 Old Northern Road
PO Box 208
Baulkham Hills NSW 1755
DX 8104 Blacktown
Tel (02) 9686 2222
Fax (02) 9686 2578

1. You can assist by promptly responding to our requests for information and to our requests for cheques to cover disbursements.
2. We may ask for bank cheques at certain times for example, stamp duty. By providing bank cheques you will assist us in ensuring that the matter completes on time.
3. We do not give reminders for stamp duty. Please provide immediately, when requested, bank cheques for stamp duty on contracts and if appropriate, mortgages, otherwise delays and revenue fines may result.
4. You should comply with your lender's requests promptly. Please let us have a copy of any loan approval you receive.
5. In particular, if your lender requests an insurance policy please obtain the policy as early as you can and forward it to us. Often your lender will not proceed with any arrangements to settle until they are in possession of that policy.
6. Lenders take some time to finalise their paperwork **after** you have signed all mortgage documents.
7. Delays can be caused by other parties to the transaction. It is our job to eliminate delays on your behalf, but it is preferable to aim to complete on a date achievable by all parties as specified in the contract.

COPACABANA

By Appointment

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Website: www.mdglegal.com.au



We have
ACCREDITED SPECIALISTS
in

PROPERTY LAW
PERSONAL INJURY LAW
CRIMINAL LAW

Norwest Legal Services Pty Ltd
trading as
Matthews Dooley & Gibson
ABN 31 079 872 423



COOLING OFF PERIOD

In simple terms, buyers of a house or land for residential purposes (ie. it does not effect industrial and commercial properties) have a five business day cooling off period after a Contract is exchanged. During this period, the Contract is only conditional so that, if you then change your mind, you can opt out of the Contract within the five day period. However, in return for opting out of the Contract, you lose 0.25% of the purchase price to the vendor.

There is no cooling off period, and an unconditional exchange of Contracts can be achieved if you seek the advice of us, as your solicitor and we then sign a "Section 66W" Certificate.

The agent may wish to achieve an immediate exchange of Contract so that you can secure the property. If you sign the Contract at the agent's office you must realise that you will only have five business days in which to obtain finance and investigate the condition of the property (see detailed notes in this document) and you will lose 0.25% of the full purchase price if you chose not to proceed within that five day period.

1. **Duration of the transaction:**

(a) **Prior to Exchange of contracts:** **Finance:**

At the time when the Contract to purchase becomes binding upon you, you must have an approval of any loan which you will be using to complete the purchase. This approval must be in writing and unconditional (eg. not subject to say a Valuation).

The cooling off period of five business days is sometimes not enough time to get such a finance approval and we suggest that you speak to your bank or financier as soon as possible. Many financial institutions can provide a "pre-purchase loan approval" and your bank or financier may have this facility.

You are welcome to discuss any matter relating to finance with our firm. We act for a number of banks and financiers and would be pleased to be of assistance, whether in relation to this purchase or any refinancing. We can on occasions achieve substantial savings for clients.

Structure and Condition of any Building:

See our detailed notes on the third page of this document.



- (b) **Exchange of contracts:** This is the point of time at which the Contract becomes binding on both the vendor and yourself.
- (c) **Between Exchange of Contracts and Completion:** Normally completion takes place six to eight weeks from the date of Exchange of Contracts. Whilst we will endeavour to settle your matter as soon as possible should you so wish, it is important for you to understand that the length of the transaction can be determined by many factors outside our control such as the length of time it takes for the numerous statutory authorities with which we must deal to return our searches and enquiries, the length of time your mortgagee and/or its solicitor takes to complete the various legal formalities related to the mortgage and thereafter the time it takes for the mortgagee's funds to be made available, and also the state of readiness of the vendor and his solicitor. (In this latter respect, it should be noted that, notwithstanding the fact that we may be in a position to settle the matter at a certain stage, we cannot force the vendor to settle any earlier than 17 days after the date nominated for settlement).

2. **Settlement Funds**

You should ensure that your funds are not tied up in any long term investments and sufficient funds to cover all purchase monies together with legal costs and disbursements should be available at least two weeks prior to the expected completion date.

3. **Zoning**

Unless you notify us to the contrary we shall assume you are purchasing your property purely for residential purposes and we shall accordingly proceed with the matter on the basis that a residential zoning is the appropriate one for your property.

HOUSES

1. **Insurance**

You will have to arrange insurance cover on the property prior to completion so that the property is covered from the date of completion or the date of occupation by you, whichever is the earlier, at which time the risk in relation to the property passes to you. If, however, you require finance from a bank or other financial institution you must ensure that you forward the full original insurance policy to this firm no later than two weeks prior to the expected completion date. Any delay in forwarding the insurance policy may well result in completion being delayed.

2. Structure and Condition of any Building

It is important to note that you purchase the property with the buildings and services in their condition and state of repair as at the date of exchange of Contracts. The only investigation into the physical nature of the buildings on the property carried out by us normally is to obtain a report from a building consultant on your behalf. Should you require a Building Report and a Pest Report you should notify us as early as possible in the transaction owing to the **delays that may be occasioned in obtaining these reports**. These reports, of course, must be paid for by you and are of no use unless obtained prior to the contract being exchanged or any cooling off period expiring. There are other reports that might be appropriate if for example you suspect that the land is contaminated or if you are concerned as to whether the sewer has been incorrectly connected to the stormwater system. If you wish us to obtain any of these reports please let us have your immediate instructions.

3. Council Approval

It is not part of our normal function to enquire as to whether each structure erected on the property has been approved by the Local Council or whether each structure complies with the Council's requirements. If you are concerned as to the approval of a structure you can often contact the Council direct by telephone and enquire as to whether approval and/or a final inspection of a particular structure has been carried out. Should you wish us to further investigate these matters please contact us as early as possible in the transaction as lengthy delays may be occasioned if a Council Inspection of the property is required. Again, this is a matter which should be raised prior to exchange of Contracts.

FIRST HOME BUYERS

If you are a first home buyer you may be eligible for an exemption or reduction of payment of stamp duty, provided you meet certain criteria. You may also qualify to receive the First Home Owner's Grant (FHOG). Please contact the person handling your matter to ascertain whether you qualify for either or both benefits.

COUNTRY, RURAL AND COASTAL PROPERTIES (This includes any property in New South Wales outside the Sydney Metropolitan area).

As we do not physically inspect your property we assume that you have made your own enquiries as to the exclusive availability or non-availability of services such as electricity, telephone, gas, town water and sewerage, together with access to your property from a **formed public road**. In the event that you are uncertain as to any of these matter, you should raise this with us when signing your Contracts.

CAPITAL GAINS TAX

If the property which you are purchasing is not the property which you will use exclusively as your permanent residence or is intended to be used exclusively as

your residence but is more than two hectares in area, a liability for Capital Gains Tax may arise.

Before you sign any Contract you should seek our detailed advice as the way in which the Contract is worded can make a considerable difference to the amount of taxation payable.

GOODS AND SERVICES TAX

The Contract for the purchase of your property may impose a goods and services tax liability upon you. You should discuss this issue, in the first instance, with the person handling your matter prior to signing any Contract and certainly prior to an exchange of Contracts since the quantum of that liability (if any) may vary greatly dependant upon the structure of that Contract.

FEEES

Prior to exchange of Contract on your purchase, we will give you an estimation of our fees and the disbursements (stamp duty, searches, etc) necessary to complete your purchase and any associated mortgage. These fees allow for all of the work normally involved in the purchase, however, additional fees will be payable if we have to conduct negotiations concerning the terms of the Contract either before exchange or completion. Those fees would be charged as per our fee agreement. We do not ask for payment of our fees until just prior to completion, however if for any reason your purchase cannot proceed, we will bill you for the work which has been carried out in accordance with our standard hourly charges.

DISBURSEMENTS

These are expenses paid by us on your behalf. Some items such as title searches, pest or building reports and statutory enquiries are needed prior to exchange of Contracts or immediately afterwards and we would appreciate receiving your payment of \$500.00 to cover these disbursements. Stamp duty will be payable shortly after exchange of Contracts. Should you have any questions regarding these matters, please raise them with the person handling your matter.



FINANCIAL AND ESTATE PLANNING

As a property owner, there may be other matters upon which we can provide assistance concerning financial planning or estate planning. There may be significant taxation benefits that can be gained from such advice. We are able to provide you with specialist advice concerning trusts and wills.

Yours faithfully
Matthews Dooley & Gibson

