



Legal and Taxation Services

SELLING A PROPERTY

Summary of a Sale of a Residential Property

- 1) You decide to sell.
 - 2) By law, a draft Contract for Sale of Land must be prepared before the sale can be advertised. You authorise us to collect the documents necessary for preparation of a draft contract. You tell us the whereabouts of the Certificate of Title and details of any outstanding mortgage and we give you a financial estimate.
 - 3) You must tell us about any improvements which have been made to the property without Council approval. By law these must be disclosed to the purchaser.
 - 4) Our work is performed in two stages – firstly, preparation of the draft contract and secondly (often weeks later), completion of the sale.
 - 5) We normally prepare the draft contract within a week to ten days. By this stage you will incur \$660 in fees and expenses. Many sales take several months to proceed, so we would appreciate payment of this amount at the beginning. However, we are prepared to wait up to 6 months if you are short of funds.
 - 6) You select an agent (if you wish) and list the property for sale.
 - 7) We send the draft contract to you or your agent to show prospective buyers until a buyer is found.
 - 8) When a buyer is found, you and/or your agent give us details of the buyer, the price and any extra furniture and fittings sold with the property.
 - 9) EITHER:
 - i) The agent completes the contract details in paragraph 8 above, asks you and the buyer to sign and exchanges contracts himself. If this happens you will be legally bound to sell but the buyer will have at least 5 business days to "cool off" and cancel his purchase. If he cancels he must pay you 0.25% of the price (\$250 per \$100,000) towards your wasted legal expenses.
- OR
- ii) a) We complete the contract in duplicate and send one copy to the purchaser's solicitor, allowing him about seven days to do his searches and awaiting the purchaser's finance.
 - b) You see us to sign your copy of the contract.
 - c) We arrange to meet the purchaser's solicitor for the exchange of contracts, which makes the transaction binding on both parties.
 - d) Usually the buyer's "cooling off" period does not apply.

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10) We communicate with you, your bank (if any), the purchaser's solicitor and the agent (if any) over a period of weeks while the purchaser's solicitor completes his searches, heading for the settlement (or completion) date, usually 5-6 weeks after the exchange of contracts.

11) If the property is mortgaged, usually your bank asks you to sign forms to authorise us to collect your title deed. If not, we ask you for the title deed if we don't already have it.

12) You call in about a week before the settlement, bring us the title deed, current council and water rates notices and receipts, sign the "Transfer", give us your new address and tell us how you would like to receive the net sale proceeds.

13) Usually on or close to the settlement date specified in the contract, we meet the other parties on your behalf for the settlement. Because you usually need to be out of the property before that time, we try to give you about a week's notice of the settlement date, although you don't need to attend the settlement personally.

14) You move out before the settlement date and transfer your telephone, electricity and gas accounts. You leave any keys with the agent or (if there is no agent) with us. The purchaser can refuse to settle without the keys.

15) At the settlement we:

- a) collect your net sale proceeds.
- b) pay out your mortgage (if any).
- c) hand over to the purchaser's solicitors the title documents and
- d) release the keys to the purchaser.

16) Usually within one working day we deduct our fees and expenses and deposit into your bank account the net proceeds of sale, except for the deposit, which is usually held by the agent until he receives our letter confirming settlement. The agent then deducts his commission from the deposit and sends you the balance or deposits it in your bank account.

17) We send you your financial statements and we notify the local council, Water Board and Valuer General that you have sold the property. You notify everyone else. A suggested checklist is attached.

18) You cancel your household insurance and claim your unused premium.

19) You tell your family and friends about us. We trust that your comments will be positive. Of course if you have any complaints please tell Philip Farrugia and we'll do our best to resolve the problem quickly and fairly.

To arrange an appointment to discuss your needs, call us on **02 9602 8488**.

Download more helpful fact sheets from our website:

- Purchasing a Property
- Appointing a Guardian
- Giving a Power of Attorney
- Should I make a Will?

www.mgfarrugia.com.au/services

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