

A Guide to Buying Real Estate – The Settlement Process Part 2

By Debbie Rayner

OK, so you have appointed a settlement agent, but now is not the time to take your eye off the ball. We mentioned in the previous issue that one of the most important pieces of information a settlement agent can provide is the TOTAL cost of buying or selling a home.

This must be established BEFORE any contract is signed. After all as Frederick Sawyer once said, “A contract is an agreement that is binding on the weaker party.” Therefore it is at this point that the settlement agent ensures that the contract is worded fairly and any special conditions have been taken into account in the event of any problems arising.

Special conditions should contain the following points;

- What needs to be done?
- Who is going to do it?
- Who is going to pay for it?
- When does it need to be done?
- What is going to happen if something is discovered?
- Who is going to pay to fix it?

Many real estate agents will have standard special conditions; however it is important to check that the above points are included. It is also important to take into account the age of the home and any appliances included.

These special conditions will then be typically applied to the following;

- Building inspection reports
- Termite inspection certificates
- Good working order clauses
- Pool inspections
- Bore and reticulation inspections

Happy with all that? Then finally before you sign, be sure to carry out the following;

- Check the walls for cracks or dampness. If you have any concerns ensure that your contract is

made subject to you obtaining a building inspection report, and bring these concerns to the attention of the building inspector.

- Check that all the plumbing, electrical and gas appliances are working? If not make the contract conditional upon the seller fixing the items at least three days prior to settlement. You can then check these items at your pre-settlement inspection.
- Check under furniture, behind wall units, inside cupboards, and all doors and windows.
- Ensure there are keys for all security doors and window and get details on any monitored alarm systems.
- Ensure any recent renovations had council approval? Make enquiries with the local government authority.
- Check that the property is connected to the sewer and ensure there are no decommissioned septic tanks on the property.

Take the time to have a good look. That way there will be no nasty surprises on signing the contract.

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