

Frequently Asked Questions (FAQ) by Vendors

1. Why do you need a contract of sale of land before the agent can begin marketing?

Answer: That is the requirement of the Department of Fair Trading (NSW)

2. Why is 42 days a standard settlement period and not just 1 day?

Answer: There are many backgrounds or behind the scene processes that needs to be done by the bank's lawyer, the purchaser conveyancer and us. The whole process takes about 42 days to complete. To shorten it, it is very stressful.

3. At what point in time are the contracts become legally binding by all parties- the vendor and the purchaser?

Answer: both the vendor and the purchaser will become legally binding at the time known as "exchange".

4. From the moment of exchange, how long is the cooling off period?

Answer: A cooling off period is 5 working or 5 business days (it excludes public holidays (NSW), Saturday and Sundays). Note that cooling off do not apply to auction property; buy with a signed section 66W certificate, a commercial property or rural land.

5. Is it true that all parties bind by the conditions in the contract after the cooling off? This means neither party can now back out?

Answer: It's absolutely true.

6. The purchaser has a cooling off period but not the vendor, is this true?

Answer: That is true. The 5 days cooling off period is for the purchaser to make sure that his or her loan is in fact 100% approved. Obviously, if the loan is not fully approved, you cannot buy because you do not have enough money.

7. Why is it common now for the purchaser to ask for 10 working days cooling off period, instead of the standard 5 business days?

Answer: Banking was simple 50 years ago. But now, we are living in a complicated business environment and so is the banking system. Now, it will generally take 10 working days to get the loan 100% approved.

8. Is it true that the purchaser can rescind within the cooling off period and the vendor cannot?

Answer: It's true. However, if the buyer rescinds within the cooling off period, the 0.25% of the sales price will be forfeited to the vendor.

9. If I am going to provide vacant possession, do I have to remove all rubbish before the final inspection date?

Answer: Rubbish removal is the biggest headache for the vendor and the purchaser. The final inspection day is for the buyer to make sure that the condition of the property is still the same as on the date of exchange. All rubbish must be removed by the time of final inspection. If the rubbish is not yet removed, the buyer might not agree to settle and this can cause complication.

10. Will settlement be exactly on the 42nd day?

Answer: the 42 days is a rough guide only. The majority of properties will settle a few days before the 42nd day.

11. When the settlement date is approaching, should I pay any outstanding rates such as water, Council or strata?

Answer: Once you have been advised of a definite confirmed settlement date, do not pay your outstanding rates as it shortly will be adjusted. All rates will be updated soon. If you do pay, there will be double payment and complication will arise.

12. Do I have to turn up to settlement?

Answer: The vast majority of settlements take place in in the City of Sydney CBD. It usually takes place late in the afternoon. You must not turn up to settlement as we have a professional settlement agent that will do that for you.

13. When can I get the proceeds of the sale and how?

Answer: There are 2 proceeds from your sale.

The first is the 10% of the sales price. That is held with your real estate agent. You can arrange to get it with your real estate salesman soon after settlement. We will normally send you an email or a SMS several minutes after settlement. We also send your agent a fax or email of the success of the settlement within 10 minutes.

The second part of the sales proceed, we will mail the bank cheque to your nominated address as soon as we receive the bank cheque. Or, if you have nominated a bank account, all the proceeds will go into that bank account at settlement.

14. What happens after post-settlement?

Answer: You are no longer the owner. If there are over-lapping bills, you must not pay it.

You can expect a final letter from us as well as a final letter from your bank within 10 days.