

The Risks for Vendors and Purchasers

<u>Vendors</u>			<u>Purchaser</u>		
Rank	Cause	Cost	Rank	Cause	Cost
1	Not disclosing known illegal structures in the contract of sale	Purchaser will sue	1	You got fooled by the hidden meaning of pre-approval (You must check the real meaning of the said word)	Loan declined and lost deposit or be sued for the 10% of the sale price
2	Don't have enough equity to pay the bank	Bank will not settle	2	You failed to budget for government incidentals and hidden fees (no surplus funds)	Cannot settle as short of funds
			3	You didn't ask for 10 working days cooling off and only accept the outdated 5 days	Don't have enough time to get a formal approval
			4	You didn't or have failed to rescind on time and has no formally approved loan evidence in writing	10% of the sale price and
			5	Failed to get the second part of the deposit being 9.75% deposit to the agent within the cooling off period (total deposit 10%)	The vendor will sue for the 10% of the sale price. They can also sue for further lost later
			6	You failed to get a termite report	The property could be full of termites
			7	You failed to get a building report	The property might not be structurally good

			8	You failed to get a strata inspection report (for strata)	There are problems with strata and also unexpected cost increase
			9	You failed to take photos of the surface of the property and inclusions before exchange	Major arguments before settlement will arise
			10	You failed to put everything in writing and believing everything a salesman said	Land law allows the salesman to lie. Only what is written in the contract is legally binding. It will cost you emotion distress
			11	You failed to buy unknown illegal structure insurance	Council ask you to knock down the illegal structure when discovered
			12	You failed to check with the local council what you can build on the land (for vacant land)	You cannot build your desired property

Please print and keep it in your handbag for reference.