

Conveyancing Solutions

focus



Summer 2012

Did You Know...

The Importance of Being Earnest about your Pre-Purchase Inspection (with apologies to the Estate of the late Oscar Wilde).

Your Contract allows you to do this inspection within the three days before you complete or settle (when you pay for the house). Did you know what can happen if you fail to do your pre-purchase (just before settlement) inspection? If you fail to do this, the following can occur (and these are true stories):

- The expensive attractive light fittings that you inspected have been replaced with cheap "home brand" nasty ones.
- The skirting boards have been removed.
- The dishwasher is gone.
- The specifically included microwave, which the kitchen is designed around, is not there.
- A painting has been removed, which is allowed, but there is a huge hole behind it which was not visible when first inspected.
- There has been a fire in the kitchen and a huge hole has been burnt into the kitchen bench top. This was covered up by a newspaper, a cutting board, and the owner standing in front of it when the property was inspected by the purchaser and by his building inspector.
- The smelly old dog has been left behind (for you fellow animal lovers, they left food for him, and he was picked up 3 days later).
- The rusty old car bodies and half buried junk were left behind.
- The stove, curtains, pelmets, blinds, hot water service have been removed.



Again, caveat emptor — let the buyer beware. Always remember, your purchase and/or sale is a business deal, and unless you are selling to or buying from relatives or friends, there is no ongoing relationship.

If you have been a very good client, taken the advice of your Licensed Conveyancer and have done your pre-purchase inspection, but unfortunately discovered missing/damaged items, then you have recourse against the Vendor, but only prior to completion. Your Licensed Conveyancer will advise you further about what to do in these circumstances.

Vendor's Disclosure



If you are listing your house for sale, don't be concerned if your Conveyancer asks you whether there are any structures on the property you are selling which have been built without Council approval.

A lot of people selling their houses have erected pergolas, sheds, etc. without obtaining formal written approval from Council — or if they did obtain formal written approval, they have since lost it. Your Conveyancer asks about illegal structures etc. to protect you in the event that the Purchaser obtains a Building Certificate from Council, either before or after contracts are exchanged (dated), and the Council Certificate orders demolition or rectification of any offending structure.

If the Vendor specifically discloses any non-approval in their Contract by Special Condition prior to exchange, and in that condition provides that the Purchaser cannot make any objection requisition or claim for compensation nor rescind contracts because the pergola/shed may not comply, then this will prevent problems. It is far better to be upfront about your father-in-law's or bloke down the road's helping hand with carpentry work — so, as a Vendor disclose, disclose, disclose!!

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Building and Using Home Equity

Mortgage Options can guide you through the process of increasing and using the equity in your home. Equity is the difference between the market value of your home and the amount owing on the loan.

Start building equity

There are a variety of ways you can build equity in your home. Increasing the frequency and amount of repayments on a variable rate home loan is a great way to increase the equity in your home.

Interest off-set accounts

These accounts enable you to off-set funds in your account against your home loan, which could end up saving you thousands of dollars in interest and cut years from the term of your home loan.

Using your equity

Once you have increased equity, you may like to use it on home renovations, investments or lifestyle improvements. Mortgage Options can help. One option is a Repayment Redraw. If you've made additional repayments on your loan, you may be eligible to redraw them. This service lets you withdraw your additional repayments quickly and conveniently for any reason, including renovations, buying a car or paying unexpected bills.

A line of credit may be another consideration, consolidating your finances with an all-in-one account that puts you in control of your equity. By combining your home loan, daily spending and savings, your loan can be repaid faster and you can more easily manage your financial affairs.

Call Mortgage Options today if you would like to know more about building equity in your home or using that equity. Contact us on 1300 859 020 or email info@mortgageoption.com.au.



Office of State Revenue - Changes

Effective 12 December 2011, the Office of State Revenue (OSR) is collecting Client Identification information for all parties liable or exempt from the payment of stamp duty.

The four key drivers for collecting this information are:

1. Office of State Revenue readiness for the National Electronic Conveyancing System
2. Identity assurance
3. Transaction verification with land and property information
4. Better upfront compliance programs for property taxes and grants.

Individuals will be required to provide evidence of their date of birth and companies will need to provide their ABN.

Further information on which documents will be accepted by the OSR is available on their website www.osr.nsw.gov.au.

New Land Tax Threshold 2012

The Valuer General has determined that the land tax threshold for the 2012 land tax year is \$396,000.00.

The premium land tax threshold for the 2012 land tax year is \$2,421,000.00.

