

Welcome to Our First Newsletter of 2006 and Our New Staff!

So much has happened since our first newsletter...

...and perhaps the biggest news to report is that we have new team members – Glennes Goode and Barbara Rowe have recently joined our Bondi Junction team and Marilynn Ong has been welcomed at Leichhardt!

We also congratulate Kelli Bowen, formerly of the Bondi Junction office, who has recently been promoted to the Manager position of our Leichhardt office.

In this issue of Conveyancing Solutions Focus, we'll fill you in on the latest news in the world of conveyancing, walk you through the sales process and define the growing trend that is Reverse Mortgages.



Barbara Rowe and Glennes Goode at Bondi Junction office.



Kelli Bowen and Marilynn Ong at Leichhardt office.

Profiles of our New Team Members

Glennes Goode (JP)

Position: Licensed Conveyancer

Office: Bondi Junction

Experience: Licensed Conveyancer for 18 years.

Education: Studied Conveyancing Law and Practice, Macquarie University 1985.

Thrill of the Job: "I enjoy face to face contact with my clients, whether they be businessmen, Mums and Dads or even first home buyers!"

Barbara Rowe

Position: Paralegal

Office: Bondi Junction

Experience: Approximately 20 years in the legal field

Thrill of the Job: "It is very rewarding when settlement occurs and your clients are able to move into their new homes, especially first home buyers!"

Marilynn Ong

Position: Paralegal

Office: Leichhardt

Experience: Conveyancing for over 10 years in Australia.

Education: Completed a Law Degree in Burma.

Thrill of the Job: "Conveyancing is my passion, and I love to provide the best professional service in an efficient way, with a courteous manner."

Profile of our New Leichhardt Manager

Kelli Bowen (JP)

Position: Leichhardt Manager and Licensed Conveyancer

Office: Leichhardt

Experience: 11 years conveyancing industry experience.

Education: Studied Conveyancing Law and Practice

Thrill of the Job: "You cannot beat the feeling that comes when you make the call to a first home buyer that their purchase has settled and they can now collect the keys and move in!"

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News

NSW Land Tax Changes

The Lemna Government recently announced an increase in the threshold for land tax on non-occupied properties from \$300,000 to \$352,000.

In 2006, the land tax rate will be 1.7 per cent (plus \$100) on the combined value of all taxable land worth more than \$352,000.

Changes to the First Home Owners Grant

A number of changes have been recently implemented regarding eligibility of individuals for the First Home Owners Grant (FHOG), and the changes are as follows:

- The minimum age for applicants has increased from 16 to 18 years of age;
- An applicant may have owned a property previously and still be eligible for the FHOG if they did not live in that property for a continuous period of at least six months, provided the property was purchased on or after 1st July 2000;
- Requirements for identification have changed and applicants must now provide one document from each of the following four categories:
 - Birth or Citizenship Certificate;
 - Drivers Licence, Passport or Firearms Licence;
 - Medicare Card or Motor Vehicle Registration or Centrelink/Department of Veterans Affairs Card or Security Licence (Guard) or Tertiary Student ID card; and
 - Utility or Insurance policy document with current address.

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An Overview of the Sale Process

It is particularly important for home buyers to familiarise themselves with the steps involved in the sale process. We break the process down into three straightforward steps:

Step 1: The Contract of Sale

Before any residential property can be advertised for sale, the Contract of Sale must be prepared. The requirements of the Contract of Sale are fairly comprehensive, and stipulate that the contract must include a copy of the title documents, the Zoning Certificate issued by the respective local council, and a drainage diagram. It is mandatory that property inclusions and exclusions are also included, along with a statement of the buyer's cooling off rights. The contract draft must be given to your real estate agent and available for inspection. Due to the strict requirements of the Contract of Sale, consult with your Conveyancer to make sure that everything is on track.

Step 2: Contract Exchange

The exchange of the sale contract represents the legal side of selling a home. Two copies of the sale contract will exist – one for yourself as the seller and the other for the buyer. Both parties sign the contract, and then exchange contracts. The process is arranged by your conveyancer or agent, and at the time of the exchange, the buyer will be required to pay a deposit, usually equating to 10% of the purchase price.

Some important points to consider regarding the Contract Exchange are as follows:

- The buyer or seller are not legally bound until the signed contracts are exchanged;
- There exists a cooling off period of five days for buyers of residential property, during which time the buyer may withdraw from the sale;
- It is possible to waive, reduce or extend the cooling off period by negotiation;
- If the exchange of contracts is arranged by the agent, the agent must give copies of the contract to each party or their solicitor or conveyancer within two days;
- No cooling off period exists for sellers. Once the contracts are exchanged, the seller is generally bound to complete the agreement;
- No cooling off period exists with auction purchases.

Step 3: Settlement

Generally, settlement takes place approximately six weeks after contracts are exchanged.

Reverse Mortgages Defined

What is a reverse mortgage?

In a normal mortgage, you start out by buying a home and getting a loan to purchase the property, and over time you pay off the loan and end up owning the property. In a reverse mortgage, you already own your home. You then get a loan secured against it, and the interest will accrue on the loan, however you do not make any regular payments. Instead, the loan is paid off when the home is sold – either when you move or when you die. By selling the home, the mortgage is discharged and paid off together with the outstanding interest.

Who are these sorts of mortgages for?

Reverse mortgages are aimed at people who are wealthy in terms of assets. They generally own their own home, but are poor in income or cash flow – perhaps due to them not having set aside enough money for retirement. Reverse mortgages allow the fixed asset to be turned into cash.

How much can people borrow with a reverse mortgage?

Generally, you can borrow up to 40% of the value of your home, however the interest rates are higher than the mainstream mortgages.

Who offers reverse mortgages?

Many of the banks are now promoting this new product and you can choose whether you get your loans as a lump sum, or regular payments or a bit of both.

The Difference Between Joint Tenancy and Tenants in Common

Tenants in Common: a method of property ownership where each party owns a percentage interest in a property. For example, two people may buy a property, with Person A buying 60% and Person B buying 40%. Each party can bequeath their individual share to anybody according to their Will. In the event where there is no Will, the owner's next of kin will inherit the share.

Joint Tenancy: a method of property ownership where there is no defined 'share' held by the individuals. The property is simply owned jointly. In the event of one of the parties dying, the other person inherits the property, and the property is not included as an asset of the deceased's estate. Even if you are a joint tenant, and the other joint tenant dies without a Will, you will automatically inherit the property. It is not inherited by the next of kin.