



## PLAIN ENGLISH GUIDE

# SELLING REAL ESTATE

Selling your home is a big decision. At Commins Hendriks we are here to help you make it a smooth and successful transaction.

### **Agents**

You can sell your home privately, or you can employ a real estate agent to sell and market it for you.

If an agent is involved, you will normally be asked to sign an agency agreement before they begin marketing, and there will be a commission payable to them when the property is sold.

The agency agreement will set out how much commission is payable and all of the terms on which the agent will work for you. The main advantage of having an agent is that they can provide you with advice as to market value and successful marketing strategies. Agency agreements are usually either exclusive agency or open agency. If you have any queries, we are happy to provide you with advice as to what your agency agreement means.

### **Preparation of contracts**

Whichever method of sale you choose for the sale of your home, it is a requirement that you have a contract prepared prior to promoting the sale of the property. It is therefore important that the first step you take in selling your home is to have us prepare a draft contract of sale for you. This will ensure your property can be on the market in a time frame that suits you. It can take a week or two to get the documents to complete the contract so it can be useful that you organise this slightly before you want to put the property on the market.

The Conveyancing Act (NSW) requires certain documents to be included with the contract for sale. We will ensure that the contract meets all of the legislative requirements.

These are:

- A Title Search: These documents show the owner of the property, and will include a plan of the property. They also show if anyone else has an interest in the property, and any matters affecting the property that have been registered with Land and Property Information (NSW).
- Planning Certificate: A local council certificate stating zoning currently in place for the property and other specific matters.
- A Sewage Diagram: This shows the location of the sewer main to the property, and often sewer connections to the dwelling as well.

Other matters which require attention whilst we are preparing the contract are:

- Inclusions, exclusions and fixtures;
- Any lease that exists for the property;
- Any requirements of the local council which remain unsatisfied;
- Any disputes with neighbours;
- Any notices you may have received from a public authority about the property;
- Any finance commitments you have that are connected to the property.

### **Prior to Contract**

You should be sure to consider any taxation implications of your sale such as Capital Gains Tax or GST. You should discuss these with us and your Accountant when you list the property for sale.



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### **Exchange of contracts**

Once contracts are exchanged, both you and the purchaser are bound by the contract. The agreed deposit will usually be payable by the purchaser prior to, or at the time of exchange of contracts.

In most cases, a purchaser has a 5-day cooling off period, during which time they can rescind the contract without giving any reason. If the purchaser agrees, the cooling off period can be waived so that the purchaser is bound to buy the property once contracts are exchanged.

### **After exchange**

During the period after exchange arrangements will need to be made for any mortgage discharges that are required to be prepared by your bank/financier. We can assist with these arrangements.

During the period after exchange, the purchaser's solicitor will conduct various searches and will submit a Transfer to us for your signature.

Up until settlement, you are responsible for the property. So, it is important that you maintain valid insurance over the property up until the date of settlement, and that you meet any requirements of mortgage repayments until this time.

### **Settlement**

Settlement usually takes place 4 to 6 weeks after contracts have been exchanged. You are not required to attend settlement; we will attend on your behalf. However, there are a number of things that you need to do to ensure a smooth settlement process:

- Sign and return any documents we have forwarded to you for signature.
- If there is a mortgage on the property, you will need to ensure arrangements are in place with your bank/financier for a discharge of mortgage to be prepared.
- The purchaser will usually require a final inspection of the property either the day of, or the day before settlement to ensure that it is as it was when contracts were signed. You will need to make sure the property is in order in preparation for that inspection.
- If there is no tenant remaining in the property, you will also need to ensure that appropriate arrangements have been made for vacant possession of the property to be available on settlement.

On the day of settlement, we will meet with the purchaser's solicitor and any banks or financiers to complete the sale. We will give the purchaser's solicitor the certificate of title and the transfer document you signed, and they will give us the cheques for the balance of the purchase price.

We will give any cheques required to your bank/financier and any mortgage you have over the property will be paid out. We can arrange for surplus funds to be deposited into your accounts as directed. We will also give an authority for the agent holding the deposit to release those funds.

After settlement the change of ownership of the property is registered and all relevant governmental bodies are notified of the new owners' details.

### **Other Considerations**

The sale of real estate can have the following implications:

- capital gains tax implications;
- wills; and
- estate planning.

Feel free to discuss any of these issues with us at any stage.