

Here are some general tips for you to consider if you are looking at buying a property:

1. Price:

- a. Are you satisfied that the price you are negotiating is fair, reasonable and a current market price?
- b. Is there any GST payable?
- c. Any discounts or other 'deals' must be incorporated into the contract terms, not by way of 'separate agreement'.
- d. An agent should be able to give you a list of the sale prices of properties actually sold in the same street, area, suburb, why not get that as it may give you an indication of prices/trends. This is usually obtained by them off RP Data.
- e. Maybe attend at some auctions to see what people are actually paying, or willing to pay for property.
- f. Remember that prices that are listed with agents or on-line are the prices Seller's are asking, not necessarily what they will take or get.

2. The Property:

- a. How old are the improvements, house & inclusions?
- b. Have you seen the final building approvals and plans for any improvements?
- c. Are there any renovations and have you seen the plans and approvals for these?
- d. Ask for them, the plans and approvals.
- e. How old are the appliances?
- f. Does everything in fact work? There is nothing in a standard Queensland contract that provides that everything works; you buy the property 'as is' whether it works or not. This should be reflected in the price you pay.
- g. Is there likely to be work that has to be done on the property, short term or long term that affects its' current price?
- h. Have you seen it during the day and night?
- i. How does the sun affect the house and the outdoor areas?
- j. Could there be a noise problem in the surrounding area/s at differing times? If so go to the property during these times.



- k. Are there any other possible issues e.g. if it's near a school, are there access/traffic issues during school pick up drop off times?
- l. What is access like?
- m. What parking do you have, are you in a residential area that also has parking time restrictions? Some residential areas near commercial areas have 2 hour parking restrictions, even on the weekend. If you, or your friends, park outside the house you could get a parking ticket.
- n. What facilities are in the local area?
- o. Can you get broadband (if so what speed), pay TV (cable or satellite)?
- p. Check with Main Roads (Department of Transport) and the local council as to the long term plans for traffic (road widening) in the area.
- q. The local council also should have plans for long term zoning for an area. This can usually be viewed by the public and can give you a good idea of what is planned in the local area into the future.
- r. Searches by us will only find things that are actually now directly affecting the property, not proposals nor plans or possibilities.
- s. If the house is less than 6 ½ years old was it built by a licensed builder (if so it has a structural warranty by QBSA) if not it does not have this warranty.

3. Sustainability:

- a. Does the property have solar?
 - i. What type of panels & inverter – do they work/work properly?
 - ii. Any warranty?
 - iii. Is the warranty transferrable?
- b. Does the property have low voltage bulbs?
- c. Is there rain water tank/s & any pumps?
- d. Any spear pump?

4. Body Corporate:

- a. If you are buying a property in a body corporate structure the Seller must give you a disclosure statement prior to you signing the contract.
- b. The disclosure will tell you:
 - i. The annual administration fund and sinking funds costs,

- ii. The insurance and costs,
- iii. The contribution entitlement
 - 1. This is how your administrative & sinking fund payments are calculated.
 - 2. Your lot will have a number,
 - 3. The aggregate number is the total of all individual lots
 - 4. The calculation is the total cost of operating the complex divided by the aggregate multiplied by your lot number
- iv. The interest entitlement
 - 1. This is your 'ownership' of the common property.
 - 2. Again it will have a number for your lot and an aggregate for all lots.
 - 3. Your interest in the common property is the % of your lot over the aggregate.
- v. The secretary of the body corporate
- c. You should check this document against what you have been told to make sure that what you have been told is the same.
- d. You should ask what money is in the sinking fund.
- e. The sinking fund is the amount of money that the body corporate has 'put aside' to pay for the more major common property repairs, maintenance or renewals (e.g. repainting, repairing roads, replacing gates, replacing pool pumps, fixing concrete cancer etc).
- f. If there's not alot in the sinking fund, why?
- g. Are there any problems within the complex, problem neighbours, noise etc
- h. Has any work been done or needed to be done?

5. Pool fence:

- a. If there is a pool is there a pool safety certificate in place?
- b. If not, you will need to get one after settlement.
- c. Any work necessary to make the pool and fencing compliant would be at your cost, ensure you budget for this.

6. Electrical Safety Switch:

- a. Does the property have an electrical safety switch?

- b. If not, you will need to get one after settlement.
- c. Any work necessary to install the safety switch would be at your cost, ensure you budget for this.

7. Compliant Smoke Detectors;

- a. Does the property have compliant smoke detectors?
- b. If not, you will need to get one or more to make it compliant, after settlement.
- c. Any work necessary to install compliant smoke detector/s would be at your cost, ensure you budget for this.

8. The Contract:

- a. Who is going to buy the property:
 - i. Ensure that you have worked out 'who' is going to buy the property prior to signing anything.
 - ii. The 'who' can have enormous taxation and liability consequences.
 - iii. Speak to your accountant and us for advice as to the correct entity to buy the property.
 - iv. It can be a very expensive process to change the entity buying a property after the contract is signed.
- b. It is recommended that we review any contract prior to signing.
 - i. Even what someone calls a 'standard contract' can have mistakes or even clauses that that agent uses that they use as a 'standard' but are not in fact standard.
 - ii. We've seen:
 - 1. A property that should be empty at settlement with the tenancy information noted because the agent thought that the tenancy details should be put in the contract because there was a tenant in the property when the contract was signed. This meant that the buyer had to take the property with the tenant in it even though they were planning on moving in.
 - 2. Special conditions changing the standard pest/building inspection clause. These changes included preventing the buyer from doing anything unless:

- a. there was active pest infestation – what if the white ants had been and gone? The buyer couldn't do anything as the infestation wasn't 'active'.
- b. There was 'structural problems'. Let's say there is water problems in an ensuite & the tiles needed removal to repair. This could be thousands of dollars, but isn't structural, so again the buyer couldn't do anything.

The standard QLS/REIQ contract, without changes, would have allowed the buyer to have terminated the contract if they were acting reasonably.

- c. Easements and encumbrances
 - i. Be very aware of easements and encumbrances. Always know exactly what they are before you even contemplate signing a contract for a property with an easement or encumbrance.
 - ii. We recommend that you discuss any easements/encumbrances with us.
- d. Ensure that any dates or time frames mentioned in the contract can be complied with by you. A failure to honour time frames can put you into serious jeopardy.
- e. Remember if the contract provides for a deposit, unless otherwise stated, it has to be paid 'when you sign'. A failure to do this puts you in immediate default.
- f. What inclusions are you also buying?
 - i. The standard QLS/REIQ contract includes fixed structures, fixed carpets, curtains, blinds, drapes, stove, hotplates, in ground plants, TV antenna, fixed satellite dish.
 - ii. It doesn't, or might not depending upon whether the item is 'fixed' to the property), include such things as dishwasher, microwave, security system, wall mounted TV's, sheds, pot plants, water features, pool cleaning equipment, pool filters/pumps, water pumps, rain water tanks & their pumps, pontoons, wardrobes etc if there is anything that you have a doubt about add it into the contract.
- g. Once you have signed the contract as buyer (and remember to pay the deposit at the same) the agent will then take it to the seller to sign.



- h. If the seller signs the contract then the 'deal is done'. The contract then cannot be changed.
- i. When the contract has been signed by you and the seller:
 - i. The agent should give you and/or us as your solicitor a copy of the signed contract,
 - ii. You have a 5 business day cooling off period from the date that you or us first receive a copy of the signed contract,
 - iii. You need to insure the property by the next business day. Any Queensland insurer will know what to do if you tell them that you have signed a contract to buy the property.
 - iv. Give the contract to us immediately to enable us to ensure that it is right and to ensure that any time frames are adhered to.
- j. There is nothing in the standard QLS/REIQ contract that says anything or everything in the property works. You should check this.

9. Cooling Off

- a. Cooling off is simply your right to change your mind and tell the Seller that you don't want to buy the property anymore and then terminate the contract.
- b. If you elect to 'cool off' and therefore terminate the contract you must notify the Seller in writing in a certain way.
- c. If you cool off properly then the contract is at an end.
- d. The Seller can keep 0.25% of the purchase price out of the deposit paid and the balance will be refunded.
- e. If no deposit has been paid the Seller can't get the 0.25% off you.

10. Stamp Duty:

- a. Don't forget stamp duty when budgeting for your purchase. Stamp duty can be calculated at: <http://www.osr.qld.gov.au/calculators/index.shtml>

Please feel free to contact us if you have any questions at all, we are always easily accessible and happy to talk to you. We pride ourselves on our personal service to our clients so that a daunting transaction becomes easy for you.