

A Guide To Your Real Estate Sale

Selling your home or property can be an exciting time and, with careful planning, need not be complicated. This information is provided to help your sale proceed quickly and efficiently.

This information is important. Please read it carefully since it summarises certain rights and obligations you have and may answer many questions you might have concerning your transaction. While every effort has been made for the guide to be as comprehensive as possible, please contact us if you have any specific questions concerning matters not covered or matters relating to your particular transaction.

Signing Documents

It is important that you attend to any requests for signing of documents etc as early as possible and return them quickly, particularly when the time frame for settlement is short or the post is likely to take longer than the standard 1 business day.

If you plan to be away during the period leading up to settlement, please contact us to make sure any necessary documents have been signed and to give us alternate contact details.

Discharge of Mortgage

If there is a mortgage currently registered on the property, then you should contact your bank or financial institution as soon as possible and take whatever action is required by them to make sure that they are ready with the discharge documents by the settlement date. You will be required to sign an Authority to Discharge form. This should be done without delay once it has been provided to you, as if you do not give your bank or financial institution sufficient time to arrange the discharge of mortgage after they receive the authority, they may not be ready to effect settlement on the due date.

Special Conditions

If there are any special conditions on the contract which as seller you are required to satisfy, you should take whatever steps are necessary to make sure they are satisfied by the due date.

Certificate of Title

If the property is currently mortgaged, your financial institution will have the duplicate title. If you hold the title yourself, we will require it before the settlement date. We will provide you with a receipt. The title will be held by us and handed to the buyer's representative at settlement in exchange for the purchase price.

Verifying Seller's Identity

In response to recent fraudulent transfers of property in Western Australia, new requirements are now in force in relation to verifying the identity of the seller in property transactions. We may also require you to provide evidence that you have authority to deal with the land.

Before signing the Transfer of Land form, each owner must have their identity verified in the manner prescribed by Landgate, the Government authority responsible for maintaining the State's official register of land ownership. Where the seller is a company, each person signing on behalf of the company must have their identity verified. Australia Post is authorised to provide the identity verification service and we recommend that you use Australia Post as it is convenient and not expensive.

The identity verification is done by a visual 'face to face' comparison of the photograph on the identity documents with the person being identified and by sighting the identity documents listed below. For a verification conducted within Australia, the person being identified must produce **original current** documents in one of the following categories, starting with Category 1 as the highest standard:

Category	Minimum Document Requirements
1	Australian Passport plus Australian Driver's Licence or Australian Proof of Age Card (with photo)
2	Australian Passport plus Birth, Citizenship, Descent Certificate or Residential Visa (with change of name or marriage certificate if necessary) plus Medicare, Centrelink or Department of Veteran Affairs (DVA) Card
3	Australian Driver's Licence or Australian Proof of Age Card with photo plus Birth, Citizenship, Descent Certificate or Residential Visa (with change of name or marriage certificate if necessary) plus Medicare, Centrelink or DVA Card
4	Declaration of Identity plus Birth, Citizenship, Descent Certificate or Residential Visa (with change of name or marriage certificate if necessary) plus Medicare, Centrelink or DVA Card. Refer to VOI Practice clause 4.5.1.1 for information on Category 4 requirements.
5	Foreign Passport plus Visa plus current rates notice for the property issued by the local government or a letter from the relevant local government stating the name of the land owner(s) as recorded on the local government records plus drivers licence.

Copies of identity documents, including certified copies, are not acceptable. The person conducting the identity verification will take copies of these documents and certify them as true copies. They must also complete an identity verification certificate. The certified copies must be returned to us (if Australia Post has conducted the verification, they will send the documents directly to us) and we will retain them on our file.

If the seller's signature on the Transfer of Land needs to be witnessed, the person conducting the identity verification or another qualified witness should then sign it as your witness.

Further, any Transfer of Land signed by the seller overseas will only be accepted by Landgate if the seller has been identified by an Australian consular officer and the seller's signature witnessed by that official (where the signature must be witnessed). A strict procedure must be followed in these circumstances. In our experience it can be expensive and time consuming for sellers to comply with these requirements and so **we recommend that if at all possible, the Transfer of Land be signed in Western Australia before you travel overseas.**

You may have already completed an identity verification with your real estate agent when you listed your property for sale. However, please note that you will need to complete a new identity verification when signing the Transfer – we cannot rely on a previous check completed by the real estate agent.

Transfer Document

We will send the Transfer of Land form to you for signing once it has been signed by the buyer. Please ensure the document is signed and returned to us promptly to avoid any delays. As set out in the 'Verifying Seller's Identity' section above, you will need to have your signature witnessed by a qualified witness who must first verify your identity. We will explain this procedure more fully in the letter we send to you with the Transfer of Land form but please contact us if you have any questions in the meantime.

Settlement Statement

We will provide you with a preliminary settlement statement to show the amounts payable by you relating to the real estate agent's selling fee, settlement fees and other disbursements. The statement will either apportion current rates and taxes or include an amount to be held in trust pending receipt of the relevant details.

After settlement we will provide a final statement setting out the full disbursement of the sale proceeds including any adjustments of rates and taxes and payment of our fees.

Rates and Taxes

If you receive any accounts for water or local government rates or land tax during the period leading up to settlement, please send them to us so that we can apportion them and ensure that payment is made following settlement. However, you should pay any accounts due before settlement by the due date, to avoid late fees being charged. Please advise us if this applies and we will make the necessary adjustments at settlement.

If you receive any accounts for these charges after the settlement date, please contact us before making payment as payment may already have been made.

If Property is Leased

If the property is subject to a lease or tenancy agreement which is intended to be assigned to the buyer at settlement, under the general conditions of your contract (clause 6.9) you must deliver to the buyer, on the earlier of settlement or possession, each of the following:

1. where the lease is in writing, a stamped and executed original or true copy of the document;
2. where the lease is oral, a written memorandum setting out the terms of that lease which are applicable as at the date of settlement or possession;
3. a statement which shows:
 - the rent payable for the period during which settlement occurs or possession is given to the buyer; and
 - the amount paid by the tenant before settlement or possession for that period;
4. any property condition report where a report has been prepared;
5. where the tenant has paid a bond, either:
 - the bond by payment in the form of a bank cheque to the buyer; or
 - where the bond is held by the Government Bond Administrator or your leasing agent who is to be retained by the buyer in that capacity, such documentation as will effect a transfer of your rights in that bond to the buyer; and
6. a notice signed by you addressed to each tenant notifying the tenant of the sale of the property to the buyer and directing the tenant to pay all future rent to the buyer, or as the buyer otherwise directs in writing, from the date of settlement or possession.

Representations and Warranties

Under the contract you as seller are taken to have made various representations and warranties concerning the property to the buyer on the date of the contract and as at the settlement date. These representations and warranties are set out in clause 9 of the general conditions that are incorporated in the contract, a copy of which should already have been provided to you by your real estate agent.

Please review these representations and warranties and advise us immediately if you consider that you ought not to have made or continue to make any of them, so that appropriate advice can be given to you.

Residual Current Devices (RCDs) in Residential Premises

Under the *Electricity Regulations 1947* as amended, the seller must ensure that residential premises have two RCDs installed which comply with the Electricity Regulations before the title to the property is transferred. The only exceptions are if:

1. an inspector certifies that the residence does not have a switchboard which is capable of supporting two RCDs and it is impractical to install two RCDs, in which case the switchboard must have at least one RCD installed; or
2. the residence is to be demolished within 6 months of the date of transfer of the property. If this applies, you as the owner must give to the Director of Energy Safety a written statement, signed by the buyer, that the premises are to be demolished by the buyer on or before a date specified in the statement, which must not be later than 6 months after the settlement date.

Any residence built under a building construction licence issued after 1 January 2000 should already comply with the Electricity Regulations.

You must therefore ensure that you have complied with the Electricity Regulations and if there is any doubt you should engage the services of a qualified electrician to check and carry out any necessary works. Failure to comply will involve a heavy penalty and may lead to settlement being delayed and compensation being claimed by the buyer.

If there is a special condition in the contract relating to RCDs, then you must comply with that special condition.

Smoke Alarms in Residential Premises

Under the *Building Regulations* as amended in 2009, the seller must ensure that mains powered smoke alarms are fitted in all existing residential buildings prior to transfer of ownership or when a new tenancy agreement is signed for rental properties. If there are no tenancy changes in rental properties, then mains powered smoke alarms must be fitted by 1 October 2011. All smoke alarms must be replaced after 10 years.

You must therefore ensure that you have complied with these Regulations and if there is any doubt you should engage the services of a qualified electrician to check and carry out any necessary works. The number of smoke alarms required will depend on the design of the property, in particular the number of bedrooms and how many levels there are in the property. Heavy penalties apply if there is a breach of the Regulations.

Electricity Scheme Agreement

If you have entered into an Electricity Scheme Agreement for the property which includes any ongoing obligation to pay money, you should inform us immediately so that we can advise you of any obligations you may have under the terms of your contract.

Housing Indemnity Insurance

If a building licence was issued for a home or for substantial improvements after 1 February 1997, the builder (including an owner builder) must have indemnity insurance for the work. If this applies in your situation, please let us have details of the indemnity insurance policy. The buyer will need details of the insurance in case the buyer needs to make a claim for structural defects within the period of the insurance.

Insurance and Risk

As the property remains at your risk until the earlier of the date on which:

- the purchase price is paid in full by the buyer; or
- the buyer becomes entitled to possession of the property; or

- the buyer is given possession of the property,

you should keep and maintain all insurance cover on the property until that risk passes to the buyer.

Keys to Property etc

Unless the property is vacant land or a property occupied by a tenant under a tenancy agreement that is to be assigned to the buyer on settlement, at settlement or at the time the buyer takes possession of the property you must pass on to your real estate agent or if none, then direct to the buyer, all keys, security devices and details of all access codes.

Removal of Rubbish

Under the contract, before possession is required to be given to the buyer, you must remove from the property all vehicles, rubbish and chattels, other than those being sold to the buyer. Any default by you in observing this obligation may result in a delay in settlement and/or claim by the buyer for late settlement interest or damages.

Inspection of Property

Usually your contract gives the buyer the right to a final inspection of the property at some time during the 7 days before the settlement date, to ensure that it is in the same state and condition as it was when the offer was made and that you have satisfactorily attended to any repairs required by the contract. The real estate agent will contact you about this.

Moving Out

After settlement, make sure that all keys etc to the property are given to the real estate agent so that the buyer can collect them (refer to the section above on Keys to Property etc). If the property is your normal place of residence, you can stay in possession (ie, occupy the property) until noon on the day following settlement. This provision is intended to allow you adequate time to vacate the property.

Other Things You Should Do

1. **Discontinue services:** It is your responsibility to make arrangements to discontinue power, gas and telephone services to the property. We are unable to do this for you. We will however, notify the local authority and The Water Corporation of the change in ownership and arrange for the water meter to be read.
2. **Insurance:** You should arrange to transfer or cancel any insurance policies with the insurer **after** the date of settlement or possession, whichever is the earlier. Refer to the section above on Insurance and Risk.
3. **Forwarding address:** Please let us have your forwarding address as we may need to contact you after settlement.
4. **Removalists:** You should obtain quotes and book a removalist before the settlement date. Make sure you are regularly in touch with us so that we can inform you if there is likely to be any delay in settlement.
5. **Property condition:** Leave the property in a clean and tidy state for the new owner.
6. **Mail redirection:** You may wish to organise redirection of your mail to your new address.
7. **New address notifications:** Don't forget to notify friends, relatives, sporting organisations, schools and anyone else you deal with regularly of your new address and contact details.

If you have any questions about any aspect of your transaction, please contact us without delay.