



Settle Easy Seller's Guide

Victoria



Selling property isn't something we do very often—it's a big deal. That's why we recommend you do your research before you make one of the biggest decisions of your life.

We hope this guide answers many of the questions you might have about the process. We want to make things as simple and easy as possible.

What to do first?

When you have decided to sell your property the first thing you should do is consult your conveyancer. You may have been contacted by a real estate agent or you may have one in mind to use, but they should not proceed until after you see your conveyancer.

The first thing your conveyancer will do is work with you to prepare the Section 32 Vendor's Statement and Contract of Sale, which once completed, will be provided to your real estate agent for submission to a prospective buyer.

Real estate agents

Before you appoint a real estate agent, it's worth doing your homework. We recommend you research:

- property values in the area
- the selling and marketing strategies of different real estate agents
- differences in property appraisals
- sales records on similar properties
- commissions, advertising and marketing fees—these are all negotiable.

Your real estate agent will need to know:

- if there are any chattels or other items that are to be excluded from the sale
- your preferred settlement date, taking into account time needed to vacate and clear the property before settlement
- whether you want to sell your property at auction or in a private sale
- the contact details of your conveyancer
- if you require a release of deposit monies before settlement.

Sales authority

This document enables a client (seller, landlord or other person) to appoint an agency to act (buy, sell, lease or manage real estate) on their behalf. Once signed, this document becomes legally binding. That's why it's really important to read this document carefully before you sign it. It contains information such as:

- the price that your real estate agent will advertise your property for
- whether your property will be sold privately or at auction
- agreed commission fees and advertising expenses
- an estimated selling price
- an agreed period of time for the real estate agent to list your property.

Types of selling authorities:

The most common authority is known as an **Exclusive Sales Authority**. This allows for only one real estate agency to market and sell your property. It's really important that you only ever sign one of these authorities as you may become liable to pay commission to more than one real estate agent.

On the other hand, a **General Sales Authority** allows you to appoint more than one agency to market your property, but you will only pay a commission to the real estate agent who actually sells your property.

You are entitled to negotiate the terms of either of these sales authorities with your real estate agent.

Selling authorities are usually for a fixed period of time and cannot be ended prior to the end of that period unless both seller and agent agree. The period of the agreements is negotiated with the agent; it is usually 90 days but can be for any period agree to. Make sure you only have one agreement at a time and do not commit yourself to payment of a commission to more than one agent.

Make sure any agreement is properly ended before entering into another agreement with another agent.

What is a Section 32 Vendor's Statement?

Before your property is sold, you must provide the buyer with a vendor's statement.

The vendor's statement contains information about the property's title, including mortgages, covenants, easements, zoning and

outgoings such as rates. It does not include any information about the condition of buildings, whether they comply with building regulations or if measurements on the certificate of title (or similar documents evidencing title) are accurate.

If you fail to disclose a relevant matter in the vendor's statement or if any information provided is incorrect then the buyer may be able to withdraw from the contract any time up to the settlement date. You may also be exposed to a fine in some circumstances. It is important to ensure that the information contained in the vendor statement is correct.

What is a Contract of Sale?

This is the most important document in the conveyancing process. It's a legally binding agreement between two parties outlining the terms of purchase or transfer of real estate.

Settle Easy will prepare the Contract of Sale at the same time as we prepare the Section 32 Vendor's Statement.



Insurance

Even after your property has been sold, it's still yours until settlement. That's why, for your own protection, we strongly recommend you remain fully insured right up until settlement.

You have a continuing obligation until settlement to take reasonable care of the property and if the property becomes "unfit for occupation" as a dwelling before settlement, then the buyer may have a right to withdraw from the contract.

Pool safety

If there is a pool, spa or wading pool on your property you have an obligation to comply with pool safety regulations.

New pool safety regulations in Victoria have introduced registration, inspection and certification requirements for property owners.

As a pool or spa owner, you will need to complete the following:

- ensure your pool is registered with your local council
- organise an inspection of your pool barrier by a registered swimming pool inspector
- rectify any issues identified by your pool inspection
- submit a certificate of compliance to your council by the due date.

For more information, please visit [Pool Safety Regulations](#).

Owner builder

If you sell your owner-built home within six and a half years after the domestic building work is completed (i.e. from the date of issue of your occupancy permit or certificate of final inspection), you have certain obligations under Victorian building laws.

Defects report

You must obtain a defects report from a qualified professional regarding the domestic building work.

The defects report must not be older than six months and a copy must also be provided to the prospective buyer.

An owner-builder does not need to provide a defects report if they sell their home on or after six and a half years from the completion date of the works.

Domestic building insurance

An owner-builder may also need to obtain domestic building insurance that covers the domestic building work and provide the buyer with a certificate of insurance.

When selling an owner-built home within six and a half years, an owner-builder must have domestic building insurance cover that protects the buyer.

You should contact an appropriate insurance provider for more information on this process.



Warranties

If an owner-builder sells their home within six and a half years after the domestic building work was completed, the Contract of Sale must contain certain warranties:

- an assurance that all domestic building work carried out in relation to the construction by the owner-builder or on their behalf was completed in a proper and workmanlike manner
- an assurance that all materials used during domestic building work were good and suitable for the purpose for which they were used and that, unless otherwise stated in the contract of sale, those materials were new
- an assurance that the domestic building work was carried out in accordance with all laws and legal requirements, including the Act and the Regulations.

For more information, please visit [Owner Builder Guide](#).



Goods and Services Tax (GST)

Most residential transactions do not attract GST. However, there are some exceptions to this. Vacant land or new residential property sold by a builder or property developer all attract GST. If you believe that the sale of your property may attract GST, please advise your Settle Easy conveyancer as soon as possible.

Capital Gains Tax (CGT)

Most residential transactions do not attract CGT, but the sale of an investment property may have CGT consequences. We recommend you seek advice from your accountant before deciding to sell.

Foreign resident sellers must pay a capital gain withholding tax of 12.5 % on properties that sell for \$750,000 and over. If you are not a foreign resident this tax will not apply.

A clearance certificate issued by the ATO must be provided to the buyer prior to settlement whether or not you are a foreign resident. Your Settle Easy conveyancer will guide you through the process of obtaining the clearance certificate.

Deposit

Payment of the deposit is a sign of the buyer's intention to proceed with the Contract of Sale and must be done at the time specified in the Contract of Sale. It is usually a substantial amount (but no more than 10%). If the deposit is only a nominal amount and the buyer is a company, you can instruct us to request director or other guarantees prior to the Contract of Sale being signed.

The deposit is generally held in trust by the agent or conveyancer until settlement and following settlement the deposit will be paid to you (usually less the agent's commission).

Release of deposit

In some circumstances, it is possible for the deposit to be released to you before settlement. If there is a mortgage on the property, Settle Easy will need to obtain some information from your lender. We will then request a release of deposit on your behalf.

If you do not owe any money to a lender, it's a much easier process. Settle Easy will simply prepare the documentation and submit the request to the buyer on your behalf.

The buyer can take up to 28 days to approve or reject such a request, although this can happen in a much shorter timeframe.

If this happens, your real estate agent is entitled to take commission from the deposit as soon as it is released.

If you require an early release, just let us know.

Paying out your loan and discharging your mortgage

If there is a mortgage over your property, it is necessary for us to arrange for that mortgage to be discharged.

Sometimes the discharge of the mortgage can take time and we recommend you contact your lender early to arrange for the discharge in readiness for settlement.

Settle Easy may need to ask you to sign a discharge authority so that we can help with this process.

Final inspection

The person who buys your property is entitled to undertake a final inspection of the property in the week before settlement. The purpose of this is to ensure that the property is in the same condition as when they first saw it.

Whilst some minor deterioration to the property such as an unweeded garden bed might be expected, serious damage to the property may impact your settlement.

e-Conveyancing

e-conveyancing allows settlement to take place online, with electronic fund transfers and registration of documents to occur in real time using an online exchange platform (currently either PEXA or Sympli). Multiple State Revenue Offices have also gone paperless, requiring duties forms used for the assessment of stamp duty on conveyancing transactions to be completed and signed electronically and submitted through the e-conveyancing platform.

Transactions completed using e-conveyancing have the transfer and mortgage documentation checked in advance by the relevant Land Registry and duty on the transfer assessed by the State Revenue Office in advance, meaning there is no potential for nasty surprises and transparency for all parties involved.

Wherever possible we will endeavour to settle your matter electronically.

We require your authority to use e-conveyancing for settlement of the transaction. That authority must be provided in the form of the Client Authorisation which your Settle Easy conveyancer will provide to you at the start of the transaction.

A Client Authorisation allows us to undertake the settlement of the transaction on your behalf (and to sign documents for you), we are required to undertake a prescribed process to verify your identity.

Verification of Identity (VOI)

Verification of Identity (VOI) is an important safeguard in property transactions, providing certainty about the identity of parties and aiming to prevent fraudulent dealings.

All parties involved in a conveyancing transaction must complete a VOI.

We ask our customers to have their identities verified in the early stages of their conveyancing transaction and we cannot complete the transaction until this has been completed.

Settlement

If buying or selling property was a marathon, think of the settlement as the finish line. Settlement is the part where legal possession of land or property is transferred from one owner to another.

Settlements used to take place in a physical location, but they now happen electronically on a predetermined day and at a set time. This is when the balance of monies owed to the seller is paid.

We arrange and attend to settlement on your behalf.

Adjustments

Adjustments refers to the ‘splitting’ of the costs of certain land charges on a property, such as rates, land tax, water charges and owner corporation or body corporate levies. The process ensures that neither the buyer or seller are paying for these charges when they do not own the property.

You are obliged to pay for the property charges until settlement. After this, the new owner takes over this responsibility. This is why we adjust rates and other statutory charges at settlement.

It’s pretty simple— you may have already paid for council rates and other charges until the end of the year, but settlement might happen in October.

Therefore, an adjustment is made so that the buyer would pay a greater amount at settlement to compensate you for the rates and other charges paid until the end of the year (when the buyer will be the owner).

Keys

A set of keys is usually collected by the buyer from your real estate agent after settlement. The real estate agent should only provide keys to the new owner once they have received authorisation from Settle Easy.

Any extra sets of keys, not given to the agent, can be left in the property, along with instruction manuals, remote controls, warranties and other relevant information.

Completion

After settlement, we will provide you with an itemised account of all the details relating to the sale of your property.

It is your responsibility to arrange for final readings of electricity, gas and landline services and to arrange a forwarding address for these final accounts.

If you have repaid a mortgage at settlement, your bank or lender will also report to you after settlement.

This publication is provided as general information only and should not be considered or relied upon as legal advice. The law is complex and you should always obtain specific legal advice about your circumstances from a qualified conveyancer or lawyer.





**Your online
conveyancing
experts**

