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CONTRACTS - Need to Know - NSW

- In NSW a residential property cannot be put on the market until a contract of sale has been drawn up. You have the right to examine the contract at any time. If you are interested in a property get a copy of the sale contract and ask your solicitor or conveyancer to review it.

 - Deposit terms - The standard deposit paid on a residential property is 10%. However a smaller deposit of 5% or even \$10,000 can be negotiated. Alternatively ask your broker about a deposit bond to cover the deposit until settlement. Be mindful there is a premium on these bonds so always get a quote first.
 - Finance terms - in NSW the acceptance of your offer is just a verbal agreement until finance is approved and contracts are exchanged until this time the property is still on the market
 - Settlement terms - When do you want the property to settle and to take ownership. The standard term is 30 days from the contract date but every contract does differ so please have a look at the listing contract before submitting an offer.
 - Building and Pest - It is always recommended to get a building and pest report completed to ensure the property is in good condition. You have to get this completed before you exchange contracts.
- Once you have looked at the contract and everything is ok, then the next step is to negotiate a price and the terms of the contract with the seller via the real estate agent. In NSW you will usually submit a verbal offer.
- At this stage the vendor will either accept or reject your offer,

 - If they accept the offer you have to get your finances in order and carry out any inspections on the property before you exchange contracts. Please note:- A contract has not been made and is not legally binding before the exchange of contracts and the payment of a deposit. This means at any time the vendor or your self can pull out of the purchase. The property is also still on the market and it is possible for other buyers to submit offers.
 - If they reject your offer the real estate agent will present you with a counter-offer from the vendor. The real estate agent will then go back and forth between the vendor and yourself until a price is agreed upon.
- Apply for finance through your broker and organise to have a building and pest report completed for the property.
- Once you have your finance approved and you are happy with the building and the pest report it is time for your solicitor to exchange contracts and you must pay the deposit for the property to the Real Estate agent. Your deposit will be kept in trust until settlement occurs.
- Stamp Duty- The stamp duty in NSW is calculated on the purchase price and needs to be paid within 3 months from the signing of the contract.
- Once you have exchanged contracts to purchase the property it is advisable to organise building and contents insurance as you cannot pull out of the contract if anything happens to the property. Please ask us to get you a quote!
- The property is officially yours on settlement day. You are handed the keys via the real estate agent and you can start moving in.

AUCTIONS - For purchases via auction you will need to have the building and pest reports complete and your legal representative will need to review the contract prior to the auction. The cooling off period does not apply to properties purchased at auction. At the hit of the hammer you have entered an unconditional contract, where you must buy the property or there can be serious legal and financial implications to follow.

Your full financial situation would need to be reviewed prior to acceptance of any offer or product.



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