

## A GUIDE TO YOUR REAL ESTATE SALE

*The following information is provided to help your sale proceed with maximum efficiency, and by the due date for settlement.*

**Please read this carefully** since it 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, we strongly recommend that you contact us should you have any specific queries concerning matters not covered by the guide or any other matters relating to your particular transaction.

### Important Information to Note

- If you plan to be away during the period leading up to settlement, please contact us before you leave, to make sure any necessary documents have been signed and provide us with alternate contact details.
- It is important that you attend to any requests for signing of documents etc as early as possible, and return the documents quickly, particularly when the time frame for settlement is short or if the mail is likely to take longer than the standard one business day.
- Take prompt action concerning any Special Conditions on the Contract which have been stipulated that you may need to satisfy.

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### **1. DISCHARGE OF MORTGAGE**

If there is a mortgage currently registered on the title, then you should contact your bank or financial institution as soon as possible, and take whatever action is necessary to ensure that they are ready with documents to discharge the mortgage by the settlement date. In most cases, you will be required to sign an "Authority to Discharge" form for your bank or financial institution and you should therefore attend to this without delay. In cases where you are only "partially" paying out the debt, the discharge process may take even longer, (especially if a valuation is required on the remaining security properties.) If the property is currently mortgaged, your bank or financial institution will hold the duplicate Certificate of Title.

### **2. CERTIFICATE OF TITLE**

If the property is not mortgaged, and YOU hold the title yourself, we will require you to forward or deliver the title to our office prior to settlement. If you are posting the title, please ensure that it is sent by registered mail for security reasons. Once received, we will issue you with a receipt for the title which will be held in our safe and provided to the Buyers representative at settlement in exchange for the correct balance of purchase price.

### **3. ATO CLEARANCE CERTIFICATE**

As of the 1st July 2017, all Contracts with a sale price of \$750,000.00 or higher, require the Seller to provide an Australian Tax Office Clearance Certificate prior to settlement. Failure to provide the Clearance Certificate will result in a withholding tax, of 12.5% of the sale price being paid to the ATO at settlement. <https://www.ato.gov.au/Forms/Capital-gains-withholding-clearance-certificate-application-online-form-and-instructions---for-Australian-residents/>.

### **4. TRANSFER OF LAND DOCUMENT AND/OR CLIENT AUTHORISATION FORM**

We will forward the Transfer of Land Document and Client Authorisation Form to you for signing once the Contract is unconditional. Please ensure that the documents are signed and witnessed as instructed and returned to us promptly to avoid any delays with settlement. This is particularly important if the time frame for settlement is short, or the mail is likely to take longer than the standard one business day.

### **5. VERIFICATION OF IDENTITY**

Due to the recent property frauds in Western Australia, Landgate has introduced a practice which requires all settlement agents to identify their clients before a transaction can proceed to settlement. A Seller can complete their verification of identity (VOI) with their settlement agent, through a participating Australia Post office or a representative from ZipID (for a nominal fee and upon presentation of identity documents and the correct form). You will be required to verify your identification at the same time as signing the above Transfer of Land Document/and or Client Authorisation Form. Landgate's "Verification of Identity" brochure is attached, however further information will be issued to you on this topic in due course. Please contact your settlement agent if you feel that you will have difficulty providing documents to verify your identity.

### **6. SETTLEMENT STATEMENT**

We will provide you with an initial settlement statement that will show the amounts payable by you in respect to the real estate agents selling fee and advertising costs (if applicable), settlement fees and other disbursements. The statement will either apportion the current years rates & taxes or include an amount to be held in trust pending receipt of the relevant details. After settlement, we will provide you with a final statement setting out the full disbursement of the sales proceeds including any adjustment of rates & taxes.

## **7. RATES & TAXES**

If you receive any account for payment of water rates, local government shire rates, land tax or strata levies (if applicable) during the period leading up to settlement, please forward the accounts to us so we can apportion them and ensure payment is made following settlement. If the due date for payment is prior to settlement, you may wish to contact your Settlement Agent to discuss the situation with interest payable on the account for later payment. If you receive any accounts for any rates & taxes soon after the settlement date, please contact your Settlement Agent before making payment, (as the payment may already have been made at settlement.) If the property has a water meter, an amount of funds will normally be held back from the sale proceeds to cover any final water usage to settlement date.

## **8. HOME INDEMNITY INSURANCE**

If a building license was issued after 1<sup>st</sup> February 1997 for a dwelling or for substantial improvements of a value of \$20,000.00 or more, the Builder must have home indemnity insurance in the name of the homeowner. If this situation applies to you, please provide a copy of the insurance policy, or details of the policy, so that we can provide to the Buyer. Home indemnity insurance is also required to be taken out by an OWNER BUILDER if they wish to sell the property within seven years of issue of the building license, and this must be taken out prior to signing, the Contract for the sale of the property.

## **9. MOVING OUT**

After settlement, please make sure that any keys, remote control devices etc are handed to the Real Estate Agent so that the Buyer can collect them. If the property is your usual place of residence, you are entitled to stay in possession (i.e. occupy the property) until 12.00 pm noon the day following settlement. If the property is sold with "vacant possession" to the Buyer and there are person/s other than you occupying the property, please ensure that they are aware of the time and date of settlement, as they will need to have fully vacated the property by that time.

## **10. GST**

From 1<sup>st</sup> July 2018, if you are selling a new residential premise or a new title/vacant land property and are registered for GST, the GST will be required to be forwarded by the Buyer to the ATO at settlement. Please ensure you have correctly completed the GST Annexure on the Contract to avoid your GST monies going astray with the ATO.