


VICKI PHILIPPOFF
 SETTLEMENTS

Perth's most experienced settlement agency

SETTLE WITH EASE

Welcome!



Welcome to the first edition of "Settle with Ease!", a newsletter that aims to discuss property settlement matters of interest to real estate representatives and finance brokers.

It's our hope that we may be able to remove some of the mystique surrounding settlement to give you a clearer understanding of processes and also explain where some of the glitches occur.

The more straight forward a settlement the better - not just for the buyers and sellers, but of course for real estate representatives and finance brokers whose timely arrival of income is dependent upon the process proceeding free of problems.

Perhaps it would be hoping for too much to expect all settlements to travel without entanglements but without doubt as WA's biggest independent settlement agency we do see settlements stall because of simple matters that could easily be overcome if people involved had a better understanding of the process.

And that's our aim - to contribute towards making easier settlements - and of course to put our name forward as the settlement agency with the expertise to help you.

We trust you will find the publication of interest and of use, and that you may keep us foremost in your mind when there is the opportunity to be of further service.

Vicki Philipoff

Carrying stamp duty clarified:

Western Australia's largest independent settlement agency, Vicki Philipoff Settlements, has confirmation that their practice of carrying stamp duty for clients on property transactions is totally acceptable.

The Australian Institute of Conveyancers (WA Division) has confirmed "that there is no barrier to a settlement agent doing so."

A newsletter issued by the Finance Brokers Board in December 2003 warned its members that "carrying" or "covering" a client's stamp duty was a breach of the trust account requirements of the Settlements Agents Act.

However, while Vicki Philipoff Settlements does carry the stamp duty for its clients, the difference is simple: the company uses its personal funds from its own General Account to pay the stamp duty and definitely DOES NOT utilise trust accounts.

"Our reputation is founded on the principle of providing clients with the most efficient and cost-effective settlement service possible," says principal Vicki Philipoff.

"We are therefore delighted to confirm that we will continue to cover the stamp duty for clients when needed and we emphasise that this will be done using our own personal funds.

Trust requirements

"We do not breach trust account requirements of the Settlements Agents Act, by using our General Account to pay for clients' stamp duty."

Vicki says it is company policy to request stamp duty to be paid by the clients before settlement, in accordance with the Joint Form Conditions for Sale.

"However, we understand that some clients do not have the funds available before settlement and we therefore provide a convenient service by offering to cover their stamp duty," she adds.

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To the Card Holder

To become a valued client of

Vicki Philipoff Settlements

upon presentation of this card, you will receive a

25% DISCOUNT

on your settlement through our firm.

* This card may be passed to a friend or relative to enable them to receive this special offer.

Signed *Vicki Philipoff*

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Meet Steve Rowles

Steve Rowles (pictured) is Licensee in Bona Fide Control with Vicki Philipoff Settlements and here he answers seven pertinent questions about himself and his position.



1. Your first job in the industry?

A junior in the Securities Department at the R & I Bank in 1972.

2. How long have you been involved in the settlement industry?

32 years

3. Your greatest personal achievement?

Being happily married to my wife for 29 years, with four children and three grandchildren.

4. What do you do on Friday nights?

Fall asleep in front of the TV, generally with a beer in my hand.

5. What is the best thing about your job?

Constantly receiving repeat business and referrals from my previous clients, as they're a testament to the high standard of service I offer.

6. What vehicle do you drive?

A company car, an Alfa Romeo 156...What can I say?

7. What about hobbies or passions?

Abseiling, para-gliding, boating, bushwalking and camping trips (yes, I still manage to find the time with four children) and my involvement in the Parents Association at the school and the local scouting group.

Real estate reps must keep up with home indemnity requirements

Representatives involved in the world of real estate should be aware of the regulations relating to home indemnity insurance on the construction of new dwellings, extensions or renovations.

The law requires builders to take out indemnity insurance in the name of the home owner for any residential building work worth more than \$12,000.

In most instances, the insurance policy must cover the residential building work during the construction period and for six years from the date of "Practical Completion." This is when the residence, extensions or renovations are capable of being used for their intended purpose.

Home indemnity insurance protects home owners against financial loss if a builder is unable to complete the work or meet a valid claim for faulty workmanship because of death, disappearance or insolvency resulting in the inability to meet outstanding debts.

The builder is responsible for taking out the insurance and giving the owner a copy of the certificate of insurance before starting any residential building work; asking the home owner to pay a deposit or requesting any other money payable under the contract.

It is important to note that if the home owner sells the residence within the six year home indemnity insurance period, the benefit of the policy will pass to the subsequent owner.

An owner builder has to assume all responsibilities of the builder and is not permitted to sell a home within three years of obtaining the owner builder licence without special permission from the Department of Consumer and Employment Protection.



If a home owner sells a residence built by a professional builder within the six year insurance period, the owner should disclose to the real estate agent or to any prospective purchaser, exactly when the dwelling was built, extended or renovated. Proof of home indemnity insurance is required.

Property buyers should be informed as to whether any additions or renovations have been carried out, the date the work took place and whether home indemnity insurance is or should be in place.

When buying a property built, extended or renovated after February 1997, whether by a builder or an owner builder, purchasers may wish to ask their settlement agent to ensure proof of home indemnity insurance is provided at settlement.

New ruling on extensions to stamp duty payments

The question of revenue rulings and the issue of stamp duty extension of time to pay on conditional contracts has been clarified by the Department of Treasury and Finance.

A recent release from the WA Government's Office of State Revenue outlines the circumstances where discretion will be exercised for an extension of time for payment, subject to an application being made by the taxpayer.

The circumstances primarily relate to conditional contracts which commonly arise on the sale of a business, or with certain land transactions.

Under the ruling, purchasers entering into a range of conditional contracts will have an extended payment period of up

to 6 or 12 months from the date of the contract available to them in certain circumstances.

The release lists 13 examples of the types of acceptable conditions including obtaining a licence to trade, granting a franchise and a sale subject to the sale of another property or the issue of a title.

The current Stamp Act (Section 17B) provides that a person who is, or may be, liable to pay duty on an instrument (conditional contract) must lodge the instrument with the Commissioner

within two months after the date on which it was first executed. Duty is payable whether the instrument is conditional or otherwise.

Section 17A (2) provides that duty is payable within one month after the date of the assessment notice. Extensions can be granted for the following reasons:

- ♦ Completion of the agreement is conditional on an event and the parties do not have control over the event.
- ♦ Approval of finance satisfactory to the purchase.
- ♦ Sub-divisional or re-zoning approval or a purchaser obtaining a satisfactory building inspection report from a third party.
- ♦ Obtaining a licence to trade as a franchise or obtaining renewal of an existing lease.

There are other examples provided by the Australian Taxation Office Tel: 9262 1100 or visit the website at www.osr.wa.gov.au or **contact us**.

A challenge for Katrina

Keeping track of the activities of nearly 30 people in a big, independent settlement agency is the challenge now facing Katrina Karow.



Working together ... principal Vicki Philipoff (left) and Katrina Karow

After being associated with administration in the real estate industry for 15 years, Katrina has taken on the role of General Manager for Vicki Philipoff Settlements in our new West Perth offices.

Formerly the GM with Century Settlements, the property settlement agency for the big Satterley real estate group, Katrina has experienced a lot of the real estate development world.

"I was running a staff of 10 people or so with Satterleys," she says.

"Now I've just trebled the numbers!"

Katrina has had several roles of running settlement agencies and she sees the move to Vicki Philipoff as a real challenge.

Katrina is particularly keen to see Vicki Philipoff Settlements achieving quality accreditation, as even though it may appear to be a daunting task for any organisation, it can be particularly challenging for a Settlement Agency.

She is convinced that accreditation is a platform for improvement, resulting in better business performance. "One of many attractive things is that it's the largest independent agency in WA, which allows me to apply my management skills on a much larger scale," she adds.

New image caters for growth

The continual growth of Vicki Philipoff Settlements has resulted in a major move to larger premises in West Perth.

After starting as a small business in Shenton Street, Northbridge in 1999, the firm has maintained a steady rate of expansion, moving firstly into the building next door and then taking over upstairs rooms as well.

"But we were still out-growing ourselves," says Vicki, who started her first Settlement Agency business in 1986 in Northbridge.

A partnership split after 12 years encouraged Vicki to start out on her own

again, aiming to run a small, tight operation with six people.

"The building was designed just for the six of us; that's all I wanted," recalls Vicki.

"But we just kept growing and even after moving next door and then upstairs, it still wasn't enough.

"We looked for larger premises where we could all be together on the one floor, providing a much better working environment and giving us room to

streamline the business ... and hire more people.

"We searched for about 12 months and couldn't find anything suitable until we came across this building in Delhi Street, West Perth, just off Wellington Street.

"It has two levels, plus car parking underneath and we moved in January even though it was still being extensively refurbished.

"There are many benefits of moving to West Perth as it's closer to the Titles Office (DLI) and the Stamp Duty office.

"And the girls can walk to Harbour Town for some lunch-time shopping!"

Back page notes:

Hello, welcome to the Psychiatric Hotline.

If you are obsessive-compulsive, please press 1 repeatedly

If you are co-dependent, please ask someone to press 2

If you have multiple personalities, please press 3,4,5 and 6.

If you are paranoid-delusional, so we know who you are and what you want. Just stay on the line so we can trace the call.

If you are schizophrenic, listen carefully and a little voice will tell you the number to press.

If you are manic-depressive, it doesn't matter which number you press, no-one will answer.

And lastly...

For those who enjoy playing with words...

- Those who jump off a bridge in Paris are in Seine.
- Reading while sunbathing makes you well red.
- A chicken crossing the road is poultry in motion.
- Definition of a Will. It's a dead giveaway.

The winning formula



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"Settle with Ease" is produced by Vicki Philipoff Settlements as a service to the property industry.

Should you require further information on any topic relating to property settlement matters, our team will be delighted to assist.

If you do not wish to receive this publication - please advise and we will remove you from the mailing list.

The information contained within this newsletter is of an advisory nature only. Because of variances in personal situations we advise you to contact us prior to proceeding with formal property settlement matters.