

SETTLE WITH EASE

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SECTION A

Buyer – Residential Established

**THIS SETTLEMENT INFORMATION
IS TO BE READ AND UNDERSTOOD BY YOU
PRIOR TO COMPLETING AND RETURNING SECTION B**

SETTLEMENT INFORMATION STATEMENT

SETTLEMENT FUNDS

Are you Financing your Purchase?

If your contract is subject to you obtaining finance, please advise us by no later than the morning of, whether you have obtained unconditional finance approval (bank's written approval required) or whether you are making arrangements for your real estate agent to request an extension. We further advise that it is the seller's discretion whether to grant an extension.

If your contract is subject to finance approval it is extremely important that you are aware of the following:

- Before you advise us of finance approval that you receive written notification of your finance approval from your bank or financier;
- That you advise us that you have received finance approval before the due date for finance approval;
- That you provide us with a copy of the approval letter;
- Failure to advise us of finance approval before the due date may result in the seller terminating the contract;
- You may receive finance approval from your bank or financier, subject to the bank's usual terms and conditions. This is deemed to be unconditional finance approval for the purpose of satisfying the finance clause on your contract.
- If you waive your finance approval, your contract is no longer subject to the finance condition. Should your bank or financier then withdraw finance approval after the contract has been declared no longer conditional upon finance approval, you will be liable for breach of contract, lose your deposit and be sued by the seller if you are unable to get alternative finance and complete settlement of the contract on the settlement date.
- It is important that after you receive finance approval, you sign mortgage documents as soon as possible and your bank is ready for settlement so as to avoid a breach of contract and loss of your deposit and the right for the seller to sue you.

Refinancing on another property as part of your purchase

You have instructed us to provide conveyancing services **only** on your behalf, and this does **not** include arranging refinancing of an existing mortgage over property currently owned by you.

Please ensure you make the necessary arrangements with your bank and or finance broker to arrange for your re-financing banks to be ready for settlement on the due date.

Failure to arrange for your refinance/restructure to be ready in time for settlement will result in you being in default of the contract and to lose your deposit to the seller. The seller may also sue you for breach of contract.

Funds Payable Prior to Settlement

Should you need to send funds to this Office to complete your settlement please note that our Banking Details are as follows:-

Bank:	BankWest Leederville
Account Name:	Vicki Philipoff Settlements Trust Account
BSB:	306-053
Account Number:	0151971

If you are borrowing funds towards your purchase you may need to estimate the amount your bank will have available at settlement. Your financial institution may vary the amount available at settlement by deducting their costs and fees from the loan amount, which may affect the balance due by you. This information is usually not available to us until the day of settlement.

For example purposes only, in your loan agreement the bank sets out what fees are to come from the loan, so a

simple subtraction from the approved loan amount of say:

\$200,000 loan, less
\$ 8,000 mortgage insurance, less
\$ 1,200 application and legal fees, leaves
\$190,800 being provided from the lender.

Therefore deduct the available bank funds from the balance required on the settlement statement, and this is the amount we require from you. We do not have the exact figures available until the morning of settlement and are unable to wait until the last minute to arrange funds with you.. An adjustment of final settlement amounts will be provided to you after settlement together with a refund of any surplus funds. Please ensure you proceed with arranging your settlement funds in accordance with this initial settlement statement.

As the buyer, it is your responsibility to ensure we have sufficient funds to complete settlement a minimum of 5 working days prior to settlement date. If you deposit your funds to our account, you are required to provide a copy of your bank cheque to our office to evidence the funds banked were not from a personal cheque. Most clients find the easiest way to achieve this is to take a photo of the bank cheque on your mobile phone before you deposit the cheque into our trust account. You can then email the picture to your conveyancer. If you transfer your funds electronically we also request you provide evidence of the transaction to your conveyancer.

Balance of Deposit

If your contract is subject to payment of a balance deposit, failure to pay the balance of the deposit on time is a breach of the contract which may result in you losing all your deposit and being sued by the seller.

Transfer Duty

Under the terms of the contract, you as buyer are responsible for payment of Government Transfer Duty. There is a time limit imposed for lodgment of your contract, and payment of this duty and a late payment penalty will be imposed by the Office of State Revenue if either matters are not attended to within the prescribed time limit. We use the Revenue Online system through the Office of State Revenue. In the event that a manual lodgement with the Office of State Revenue, an additional fee may be payable of \$70.00 incl GST.

In some instances, the transfer of land document must be stamped prior to settlement. In the event that stamp duty is payable by you prior to settlement, we may offer a stamp duty payment service where we can pay your stamp duty, for an additional fee. If you require further details please let your Conveyancer know.

Stamp Duty Rebates/Concession

You may be eligible for a Rebate or Concession of transfer duty, if you are purchasing a property that you intend on residing in and are one of the following:

First Home Owner Rebates

- A first home owner purchasing a house with a value between \$0 and \$430,000 – nil duty payable
- A First Home Owner purchasing vacant land up to \$300,000.00 with a residential building contract in place – nil duty payable

First Home Owner Concessions

- Purchasing vacant land between \$300,000 and \$400,000 with a residential building contract in place
- Purchasing a house between \$430,000 and \$530,000

First Home Buyers

If you are eligible for the above rebate, **you** must provide the following documents to our office prior to settlement. Otherwise, the Office of State Revenue will insist that the full rate of stamp duty is paid at settlement.

- The letter from the Department of Treasury and Finance, Office of State Revenue confirming that you are eligible for the First Home Owners Grant; and
- The Stamp Duty First Home Owner Rate Application Form for properties purchased (not gifted) under Section 75AG of the Stamp Act 1921.

These will be provided to you by the Office of State Revenue, upon approval of the application lodged by your lender. If your lender is not attending to this application, please urgently contact our office.

How do I read my Settlement Statement?

Our Fast Track process provides you with an initial Statement which will show amounts payable by you. The figures set out on your initial statement are estimates only, and a final settlement statement will be issued once settlement has been finalized.

The statement will either apportion current rates and taxes or include an amount to be held in our trust account pending receipt of the relevant details. If you receive any accounts for rates from either the Water Corporation or the Local Government Authority soon after the settlement date, please contact us before making payment since payment may already have been made following settlement.

For your information, statement definitions follow:

Purchase Price	The price agreed on the Offer and Acceptance contract
Deposit Paid	The amount paid, or due for payment by you.
Stamp Duty on the Contract	Payable to the Office of State Revenue (OSR) prior to settlement.
Costs and Disbursements	
Settlement Fee	Professional Fees due to Vicki Philipoff Settlements
Registration of the Transfer	Government Fee payable to Landgate
Enquiry Fees	
DLI Enquiry Processing Fee	Government Fee payable to Landgate for rating information on the property
Water Corporation Rate Enquiry Fee	Government Fee payable to Water Corporation for rating information on the property
Council Rate Enquiry Fee	Government Fee payable to the local council for rating information on the property
Land Tax Enquiry Fee	Government Fee payable to Office of State Revenue for rating information on the property
WAPC Clause 42 Certificate	Government Fee payable to Department for Planning & Infrastructure (DPI) for reservations on the property
Disbursements	In accordance with the Settlement Agents Act disbursements are payable in addition to the Settlement Fee. Disbursements include postage, phone calls, couriers, faxes, e-mails, photocopies, company searches, bank cheque fees, title searches.
Mortgage Loan Funds	This amount is an indication only and determined by your Offer and Acceptance contract. Your financial institution may vary the amount available at settlement. This information is usually not available to us until the day of settlement. It is your responsibility to ensure we have sufficient funds to complete settlement.

Adjustment of Rates & Taxes	We attend to the adjustments between you and the seller.
Balance Due by you prior to Settlement	This amount is an indication only and determined by the shortfall in funds provided by your Financial Institution (if applicable). Your financial institution may vary the amount available at settlement, which may affect the balance due by you. This information is usually not available to us until the day of settlement. It is your responsibility to ensure we have sufficient funds to complete settlement a minimum of 5 working days prior to settlement date. If you deposit your funds to our account, you are required to provide a copy of your bank cheque to our office to evidence the funds banked were not from a personal cheque. If you transfer your funds electronically we also request you provide evidence of the transaction to your conveyancer. PLEASE NOTE: An adjustment of final settlement amounts will be provided to you after settlement. Please ensure you proceed with arranging your settlement funds in accordance with this initial settlement statement.

GENERAL INFORMATION

Absence during Settlement

If you plan to be away whilst we are attending to your settlement, please advise our office and we can arrange for the preparation of a Power of Attorney document. If you are not available to sign documents as required and have not made these arrangements, we will not be liable for any delays attributable to your absence.

Some lending institutions do not accept a Power of Attorney and may instead require an Enduring Power of Attorney; however we cannot assist you with this particular document. It will be your responsibility to ensure that you check with your Lending Institution which Power of Attorney document is acceptable to them, and make the necessary arrangements. If you require us to attend to the lodgement only of an Enduring Power of Attorney, our fee is an additional \$70.00 incl GST.

If you require us to prepare a Power of Attorney, please instruct us on the Appointment to Act in Section B. Additional charges will apply. Our Professional Fees are \$220.00 including GST. Registration Fees are also payable as levied by Landgate. Please note: If you are paying the Platinum scale fee, our professional fee of \$220.00 is waived.

If you will not be in Australia to sign the Transfer of Land document, our settlement fee will increase by \$330.00 including GST. Please note: If you are paying the Platinum scale fee, our professional fee of \$330.00 is waived.

Buyers Inspection Reports – Contract to Purchase

If your contract is subject to you obtaining a building or pest inspection report, your attention is drawn to the terms of the condition which makes the Contract conditional upon these reports. It is essential that you advise us by no later than the morning of, whether or not these are satisfactory. Failure to act prior to 5.00pm on the date means you will lose all of those rights under the contract.

Please ensure that the inspectors you appoint to conduct the inspections hold the appropriate licenses. Failure to use an appropriately licensed inspector means you will lose all of your rights under the contract.

Certificate of Title

A Certificate of Title is not generally issued in duplicate, however if you specifically require a duplicate Certificate of Title please arrange this with us. If a Mortgage will be registered on the property the financier usually requests the Titles Office not to issue the duplicate (to reduce the risk of loss)

Contaminated Sites

If you are buying property that is, or has the potential to be, contaminated from previous land uses, the Department of Environmental Regulation (DER) recommends you seek professional advice from an environmental consultant experienced in contaminated site assessments who can undertake an environmental investigation of the property.

If you don't establish prior to purchase what contamination is present, you may be held responsible for the remediation of the contamination in the future.

If you wish to search all records of suspected contaminated sites reported to DER, including sites that have not yet been classified, or sites classified as:

- Possibly contaminated - investigation required;
- Decontaminated;
- Not contaminated - unrestricted use; or
- Report not substantiated

We can submit a Form 2 - Request for a summary of records in respect of land to DER on your behalf. The Government Cost of this search is \$30.00 for a basic Summary, and \$300.00 for a Detailed Summary. GST is payable in addition to the search costs. Please complete this request in Section B.

Electronic Conveyancing

Electronic Conveyancing is an online property exchange system that allows lawyers and conveyancers to electronically lodge Land Registry documents, and complete Financial Settlement. Financial Settlement is completed through a secure process involving the transfer of funds from source accounts via the Reserve Bank of Australia to destination accounts. Additional fees are payable to use this service, and at present not all property settlements are able to be transacted on this platform. If you would like to settle using Electronic Conveyancing please complete the question in Section B to authorise this. Further information regarding this is available on <http://www.vickiphilipoff.com.au/electronic-conveyancing/>

Gas/Electricity/Telephones

Connections of these services are your responsibility. You should contact each of the relevant authorities to arrange for the accounts to be changed to your name as soon as possible.

Privacy Policy

The *Privacy Act 1988 (Cth)* may impose obligations upon us regarding the collection, use, disclosure and storage of the personal information of individuals and we may be required to comply with the National Privacy Principles.

This Privacy Policy explains what kind of personal information we hold; and why and how we collect, hold, use and disclose that personal information.

Full details of our Privacy Policy can be viewed at www.vickiphilipoff.com.au

RCD'S

Sellers of residential properties are required by State Law to have two Residual Currency Devices (RCD'S), installed in their property. The safety devices must be installed by settlement date.

Any licensed electrician can supply and fit RCD's to the switchboard of the property. There can be an exemption where the buyer will be demolishing the property. A specified date for demolition must be nominated and cannot be more than six months from the date of transfer. The seller is required to send the buyer's statement to the

Director of Energy Safety.

If settlement takes place and the seller has not complied – then the seller will be in breach of the regulations and face penalties from the State Government. Therefore the onus is on the seller to ensure the matter has been attended to prior to settlement date.

Please ensure that you check the property for 2 RCD switches at the time of conducting your final inspection.

For more information about RCD's you can contact the Division of Energy Safety at the Department of Commerce in Perth on 9422 5200.

Rights to Access Water

There are specific areas in Western Australia where access to water is strictly controlled. The *Rights in Water and Irrigation Act 1914* regulates the licensing of domestic or commercial use of surface water and groundwater as a measure to protect the environment. For example, in the South West region this applies to properties in the following areas: Bunbury, Donnybrook, Harvey, Collie, Busselton, Dunsborough, Margaret River, Augusta, Pemberton and Manjimup. Penalties apply for the taking and use of water that is contrary to the Act. If you wish to check if this applies to the property you are purchasing please telephone the Department of Environment on (08) 6364 6500.

Septic Tanks - Decommissioning

The WA Health Regulations require the decommissioning of any sewerage apparatus on the premises where those premises are connected to a sewer and there has been a change or alteration in ownership.

Any tank not decommissioned prior to the contract date must be paid for and completed by the buyer no more than 60 days after the date on which ownership has changed hands. In the case of a septic tank or aerobic treatment unit, this would entail the emptying and removal of the tank or unit and back filling of the empty space with clean fill.

Sewerage Connections

The Water Corporation MUST Scheme (Minimum use of Septic Tanks): This scheme has been introduced to eliminate septic tanks. You will know from the Selling Agent (if any) whether the property is main drainage or septic tank. If the property is capable of connection to the main drainage then the Scheme provides for the Buyer to connect within 12 months of the settlement date.

Connection must be carried out by a Licensed Plumber. Interest bearing loan facilities are available from the Water Corporation to cover the costs of connection. If you believe the property is connected to main drainage it would be advisable to check with the Water Corporation that the connection is correctly recorded in its records. If main drainage has not reached your property, it is unlikely that you will be called on to connect, but again, we suggest you check with the Corporation. Even though we request the information, accurate written replies are not always available prior to settlement. The scheme is complex and we therefore suggest that if you have any queries whatsoever, PRIOR TO SETTLEMENT, you contact THE MUST ADVISORY LINE Telephone: 13 13 95.

If at the date of the Contract the property is not connected to sewerage then the cost of connection shall be the responsibility of the Buyer whether or not the Water Corporation has issued a notice requiring the Land to be connected.

Sewerage/Drainage Pipes

These may restrict building or other installations on the property. If you intend to extend the original building, build a new property or a duplex or install a swimming pool or similar, we recommend you contract the Water Corporation for details applying to your property. The Water Corporation supplies plans of Sewerage Lines but the same are not always received prior to settlement. *If you have any queries we suggest that you contact the Water Corporation –Telephone: 13 13 95*

Smoke Alarms

It is law for all residential properties to have mains powered smoke alarms installed. In dwellings where the construction of the building does not permit a space to conceal the wiring or where no mains power is available, smoke alarms with a 10 year battery life are permitted.

Under Building Regulations Amendment 2009 an electrical contractor must install mains powered smoke alarms before a property is sold. The Building Regulations Amendment 2009 also specifies where smoke alarms should be installed. Refer to www.fesa.wa.gov.au for further information.

Strata Title Properties

If the property you are buying is a strata title property, the Strata Titles Act states that you must receive a disclosure statement (Forms 28 & 29) either prior to, or at the time of making your offer to purchase the property. If you have not received the required disclosure information, the law gives you certain rights to avoid the contract. Please contact us if you have any queries and we suggest you obtain legal advice if you have any concerns. Also when purchasing a strata title property, you are entitled to inspect the records of the Strata Company prior to settlement if you wish.

Title Investigation and Searches

The searches undertaken by us for the purchase of your property are as follows:

- Title Search and Plan - reveals correct title details and the full and correct names of the registered owner/s. We also obtain a copy of the registered plan, which enables you to identify the property being purchased. These preliminary searches have been conducted.
- A check Search is also conducted on the day of settlement to ascertain whether there have been any charges registered over the property since our initial title search.
- Local Government Search - advises the rates payable on the property and whether they have been paid. A List of Orders and Requisitions will also be requested. This request **may** include information regarding swimming pools/outdoor spas and extensions. However, the answers may not be available prior to settlement, therefore it is suggested you make your own enquiries to your Local Government. If you have any concerns that any buildings or extensions do not have the necessary Local Government Authority approvals, you should make these enquiries yourself as we do not physically see the property and cannot assist you with this matter.
- Land Tax - reveals whether any land tax is payable by the seller.
- Clause 42 Certificate - reveals whether the property is affected by a reservation eg, parks and recreation or road widening. We cannot guarantee a reply prior to settlement and you may wish to telephone the Department for further information on (08) 6551 9000 or 1800 626 477.
- Body Corporate Information Certificate if applicable - advises the body corporate levies, (including special contributions) payable for the lot and whether they have been paid.

To ensure that you are adequately protected the searches must be ordered so that the results are received prior to settlement. Results of some of the searches can take up to three (3) weeks to be received.

Please note that additional fees may be incurred if it is necessary to order express searches

Trustee on Behalf of a Trust

If you are purchasing this property on behalf of a trust, the property cannot be registered in the name of the Trust, only in the name of the Trustees of the Trust. For the purpose of stamping your contract with the Office of State Revenue, we require you to urgently provide us with a full complete copy of the stamped Trust Deed which must detail the full names of the Trustees of the Trust. These names must match the names on your contract to purchase and subsequent settlement documentation.

We recommend that you protect the interest of the beneficiaries of the Trust. A Declaration of Trust can be registered at the Department of Land Information whereby the Commissioner of Titles will register a Registrars

Caveat.

If you require the Registrars Caveat, you will need to instruct our office by indicating on the Appointment to Act in Section B and providing our office with the Declaration of Trust document. Additional charges will apply. Our Professional Fees are \$80.00 including GST. Registration Fees are payable as levied by Landgate. Duty may also be payable, as levied by the Office of State Revenue. Please note: If you are paying the Platinum scale fee, our professional fee of \$80.00 is waived.

Please Note: Vicki Philipoff Settlements is unable to prepare the Declaration of Trust document, however the document can be prepared by your Accountant or a Solicitor. (If you require duplicate copies of the Declaration of Trust to be stamped, additional duty may also be payable per copy.)

PRIOR TO SETTLEMENT

Check for Leaks before Settlement

The Commissioner for Consumer Protection recommends that buyers perform the following procedure at final inspection:

- Ensure all taps are turned off on the property;
- Check the water meter (the water meter should not register any water flow if the taps are turned off);
- If the meter is registering water flow, then this may indicate a leak;
- If there is a leak, the buyer should request the seller to engage a plumber to locate the leak;

And, according to the Commissioner, the seller should be required to pay the cost of repairing the leak. Failure by the buyer to undertake this procedure could result in the buyer being liable to pay the costs to locate and repair any leaks and the cost of water lost through leaking taps and pipes. However, if a plumber is unable to locate any leak, the cost of the plumber would be the responsibility of the buyer.

Final Inspection before settlement - Access to the Property

The seller must allow you access to the property in accordance with the Joint Form of General Conditions within 5 business days before settlement to conduct a pre-settlement inspection. This will also provide you an opportunity to confirm any specific conditions on the contract have been met.

Please contact the real estate agent directly to arrange the pre-settlement inspection. You must advise us immediately if you have any difficulties.

Keys

If the Seller occupies the property as the Seller's principal place of residence then the Seller is entitled to remain in occupation until 12 noon on the day **after** which settlement takes place. Therefore, if the property you are buying is not the principal place of residence of the Seller, you are entitled to possession as soon as settlement takes place.

In respect to obtaining keys for the property you should make arrangements with your Selling Agent (if any) as to when you will be able to collect the keys for the property.

Possession Prior to Settlement

If you require possession of the property prior to your settlement being effected, you should seek Independent Legal advice before signing any agreement which will vary your rights under the contract. By signing a possession document, you may be waiving your rights with regard to all of the conditions you may have on your offer and acceptance contract.

Time of the Essence

The contract states that time is of the essence. This means that all dates for Finance and Buyers Inspections, payment of any money and the satisfaction of special conditions (if any) **must be** complied with by the date specified in the contract. Failure to comply with a date may expose you to serious consequences. Please contact us if you require clarification.

A financier usually requires a minimum of 21 days from finance approval date to have their mortgage documentation ready to meet the settlement date.

The Buyer must sign and deliver the stamped Transfer of Land to the Seller's Representative a reasonable time before the Settlement Date. If your settlement does not allow sufficient time - at least 21 days from finance approval to settlement date, or 21 days from issue of titles, or 21 days from the contract becoming unconditional, it will be your responsibility to visit our offices at short notice if necessary, or to bear the costs of the courier fees in order for settlement to be attended to as quickly as possible.

If there is insufficient time for the proper process to occur in obtaining information from the Rating Authorities, Local Government and WA Planning Commission with respect to the property, we will be indemnified from any claims in this regard.

The seller may apply Penalty Interest if settlement is delayed beyond the due date if you do not settle on time.

INSURANCES

Building Insurance – Home and Contents

This is your responsibility to organize. Prudent Buyers will no doubt wish to consider both Building and Contents Insurance. This cover can be arranged with an Insurance Company of your choice. If you are borrowing funds from a Mortgagee you should take note of the Mortgagee's requirements on the Loan Offer as to the amount and type of cover and other details. Before paying any funds for settlement, the Mortgagee must sight a current policy of Insurance with their interest as Mortgagee noted thereon. In the case of a Strata Property there may be Strata Insurance in place. If so we will endeavour to provide you with the details.

Title Insurance

Coverage under a Title Insurance policy extends to matters which are beyond the scope of Conveyancing services. Title Insurance is a specialised insurance that protects your ownership and use of the property you are buying, by guarding against certain risks that may cause loss or affect your ownership. For example, loss caused due to forced removal by Council of a structure illegally built by a previous owner, loss of land due to survey errors, zoning non-compliance, or complete loss of legal ownership due to a fraudulent sale of your property.

There are 2 title insurers operating in Australia - First Title and Stewart Title.

www.firsttitle.com.au and <http://www.stewartau.com/public/>

If you have any questions or wish to discuss title insurance further, please contact the title insurance specialists listed below.

Insurer	Contact	Telephone	Email
First Title	Fiona Schwab	0404 824 900	fschwab@firsttitle.com.au
Stewart Title	Sandy Wormald	0409 130 787	sandy.wormald@stewart.com

AFTER SETTLEMENT – WHAT NEXT?

First Home Buyers Assistance Fund Threshold

The Real Estate and Business Agents Supervisory Board assist First Home Buyers to cover incidental expenses, including valuation, registration and establishment fees. If the purchase price is \$400,000 or less, you may be eligible to access grant money of up to \$2,000

To be eligible for a grant under the fund, applicants must:

- Purchase their first home, which is established or partially built (not vacant land, a plan or a house and land package) ;
- Live in the home for at least the first 12 months;
- Purchase the home through a licensed Real Estate Agent;
- Lodge an application with the Registrar of REBA no more than 90 days after the date that the Offer and Acceptance contract to buy the home is accepted. (Exceptional circumstances sometimes apply, contact the Registrar)
- Be financing the purchase of the property through an authorized lending institution
- Not be the spouse or partner of the person who owns or has owned any property in the state of Western Australia.
- Your application must be lodged with the Department no later than 90 days after the date your offer to buy the home is accepted. Applications lodged outside the 90 days may be accepted if reasonable grounds for the late lodgement exist.

Further information on the fund and the Application Form can be obtained from:

<http://www.commerce.wa.gov.au/publications/home-buyers-assistance-account-publication>

Title Watch

We believe this is a good security measure to put in place once settlement has been effected. Title Watch is an online subscription service that sends automatic email notifications when action occurs on a Certificate of Title.

The Landgate system will check if there has been any action on a Certificate of Title twice daily, at 12 noon and 4pm. If a Certificate of Title has a **Title Watch for a Single Title** subscription and the action status of that Certificate of Title has changed since the last system check, Landgate will automatically send an email notification alerting you to the updated status. If there has been no action on a Certificate of Title since the last system check then you will not receive an email.

If interested in this product, simply log onto www.landgate.wa.gov.au/titlewatch

or email accountmanager@landgate.wa.gov.au