

Points to be aware of Prior to Signing

Section 7 Statement (aka Form 1):

The Section 7 Statement (aka Form 1) is a formal statement by the vendor about certain details relating to the property under the *Land and Business (Sale and Conveyancing) Act 1994*. This statement must be complete and accurate when served on the purchaser. A cooling off right is usually linked to the time of service (see below). Consulting us about the contents of the statement will ensure that you are aware of various details affecting the property. **Ensure that you are aware of the details and understand all terms and conditions applicable.**

Special Conditions:

We can offer independent advice on special conditions that should be included in the Contract for **your** protection (e.g. conditions that mean that you don't need to proceed if you don't get approval for a loan or don't sell your existing property). If you consult us before you sign the Contract or lose any cooling off rights, you can be guided through this process and informed about what you can expect.

Cooling off rights:

Most purchasers have a statutory right to terminate a Contract ('cool off'). A purchaser exercising that right must give written notice of the 'Cooling off' to the vendor within two clear business days after the later of both:

- receiving a complete and accurate Form 1, and
- entering into the Contract.

Importantly, not all buyers of property have the right to cool off. The right does not exist if:

- you have waived your right by getting independent legal advice and have a certificate from the legal practitioner to that effect;
- you bid at auction and were successful or purchased later that day;
- a company is the purchaser;
- in certain circumstances where the sale involves a tender or option to purchase; or
- the purchaser is buying a business plus the property.

You should be careful about waiving your rights to cool off if you have not received all information that would be included in the Form 1.

If the property is being auctioned, the Form 1 must be available for inspection at the agent's office at least three business days prior to the auction and at the place of auction at least 30 minutes before the auction commences.

You are bound by the Contract from the time that your offer is accepted. Unless you legally cool off, you are obliged to try to fulfill the special conditions and ultimately finalise the settlement. There are various financial consequences for you (including default interest and even loss of deposit and payment of the difference in price on resale) if you fail to comply with the terms of the Contract.

Insurance - Property:

In most respects, the property is at your risk from the making of the contract - hence you should insure the property as soon as possible after your offer has been accepted. Your lender will require a copy of the insurer's Certificate of Currency with its interest noted before providing funds to settle.

Building & Pest inspections:

Building, pest or other inspections should ALWAYS be undertaken and completed as soon as possible. It is preferable to do so before or during any cooling off period; if it may not happen within that time, you should make the Contract subject to a satisfactory inspection report.

Utility Connections:

Did you know that there are organisations that will take the hard work (and hours on the telephone) out of connecting to all your utilities? Connecting your telephone, internet, electricity, gas and more. Direct Connect is a company AICSA members may be able to direct you to. Ask us for more details.