



Local people. Local knowledge.

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## PURCHASE INFORMATION BOOKLET

The information contained in this booklet is extremely important. Please read it carefully.

### Introduction

Thank you for engaging us to assist in your conveyancing transaction. Feel free to contact our office by phone or email if you have any further queries after reading this booklet.

Purchasing a property is often the most expensive, and therefore daunting, process many of our clients undertake. We will do our best to simplify the process to ensure that it causes you as little stress as possible. By engaging Local Lawyers, you can be assured that whatever happens with your transaction, we will be there to support you.

The purpose of this information booklet is to provide you with an outline of what is involved in the conveyancing process.

### Verification of Identity (VOI)

We are required by legislation to verify the identity of our clients. This can be done in a face-to-face interview or electronically via our authorised VOI provider Infotrack. The best way to complete your VOI is with a Passport and a Driver's Licence. If you do not have either of these documents, other documents such as an original Birth Certificate or Citizenship Certificate may be satisfactory. If you wish to complete your VOI in our office, please come in at any time at your convenience and we will take copies of the documents to complete the verification process. We do not charge for this service.

### Fees

Our standard fees are based on the transaction proceeding in the normal manner. These fees are set out at the end of this booklet.

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## The Contract of Sale

The Contract of Sale is the most important document in the conveyancing process. It records the terms of your agreement with the Vendor regarding the purchase of the property.

The Contract is a legally binding document and breaches of contracts of sale can result in serious legal consequences. We assist you to make sure that you comply with your contractual obligations.

As the Contract records your whole agreement with the Vendor, anything which was agreed orally does not form part of the Contract and you should not rely on any such agreements. If you are concerned that aspects of your agreement with the Vendor are not in the Contract, you should advise our office.

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## Insurance

Whilst the standard contract does provide that the property remains at the risk of the Vendor, we recommend that purchasers insure the property as soon as possible after signing the Contract.

A lender will also insist that the property be insured. It is better to have too much insurance than not enough.

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## Cooling Off

In limited circumstances, a purchaser may cool off (or end) a purchase, although this does not apply to a purchase made at auction or three business days prior to or after the auction date. Contact us **immediately** if you wish to cool off.

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## Nomination

Most contracts allow a named purchaser to nominate an additional or substitute purchaser. This involves additional paperwork and if you are contemplating nominating another purchaser you should advise our office at the earliest possible time. Usually, we do not charge additional fees for a nomination. You should not apply for any permits relating to the property if you propose to nominate.

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## Off the Plan

Off the Plan contracts relate to properties that are not separately titled or not fully constructed at the time of purchase. These transactions are more complex and may not be completed for many months, or even years. Please refer to our **Off the Plan Supplement** for more information.

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## Electronic Conveyancing – PEXA

All property settlements are now conducted electronically. We use Property Exchange Australia (PEXA) to complete settlement. There are fees associated with using PEXA which are relatively modest but which are paid by you as part of settlement.

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## Signing Documents

Once we have verified your identity and you have signed a Client Authorisation Form, we are able to sign all documents relating to the transfer of title. However, there are also a number of bodies which require you to sign particular documents, for instance:

- the State Revenue Office (SRO) requires some documents to be electronically signed by you; and
- the Australian Tax Office (ATO) also requires a declaration that you are not a foreign resident.

We will provide you with the links to the relevant websites and instructions for signing these documents.

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## Release of Deposit

Purchasers usually pay a 10% deposit at the time the Contract is signed, and this amount must be held by a stakeholder (agent or solicitor) until settlement. It is possible for the deposit to be released prior to settlement, but the Purchaser is entitled to have full details of any amounts owed pursuant to any mortgage over the property before being asked to consent to release of the deposit.

If the relevant information is provided, it is usual for the Purchaser, after seeking legal advice, to consent

to release of the deposit, but there is no obligation to do so.

If there is no mortgage over the property, the Vendor is ordinarily entitled to release the deposit 28 days after the date of the Contract.

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### Financing your Purchase

Given the large sums of money required to purchase properties, the vast majority of purchasers obtain finance from a bank or financial institution to help fund the purchase. Ensuring that your finance is approved and the relevant loan documents are signed well in advance of the settlement date is critical.

In our experience too many purchasers assume that engaging the services of a mortgage broker means that they do not need to do anything to obtain their loan. They take the view that the mortgage broker will sort it out. While that often happens, sometimes it does not and it is risky to assume it will.

Without correctly signed mortgage documents, your bank will not advance the money you need to settle your purchase. This can lead to delays in settlement and unnecessary cost to you in the form of penalty interest and additional legal fees.

We recommend that you take a proactive role in the finance approval process and ensure that mortgage documents are signed **at least two weeks prior to the due date for settlement**. This takes into account that inadvertent mistakes can be made and ensures there is time to attend to these errors without the danger of delaying the settlement date. We urge our clients to routinely follow up their broker and/or lender throughout the transaction to make sure that everything proceeds in a realistic timeframe.

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### Stamp Duty and Related Fees

All property purchases in Victoria attract land transfer duty (commonly known as stamp duty). Stamp duty is a state government tax levied against a purchaser when they purchase a property. The amount of duty payable depends on the value of the property, with more duty being levied the more expensive the property is. Foreign purchasers pay duty at a higher rate, and you must advise us if you are a citizen of a foreign country.

### Titles Office Fee

This fee is generally much less than stamp duty. It is payable to the land titles office at the time the transfer of land is registered.

Various exemptions and concessions are available, such as the Principal Place of Residence concession, Pensioner exemption and Off the Plan concession. We are able to assist you in applying for these concessions. Full details are available at the [SRO's website](#).

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### Final Inspection

You are entitled to conduct a final inspection of the property in the week before settlement and you should contact the agent to arrange for this. The purpose of the inspection is to establish that the property is in the same condition as on the Day of Sale, fair wear and tear excepted.

You may have to accept some minor deterioration, such as an overgrown garden or dirty swimming pool, but you should report any substantial deterioration to our office.

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### Services

It is your responsibility to arrange for connection of electricity, gas and telephone services. Steps should be taken in advance of settlement as there may be waiting periods.

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### Settlement

Settlement is the time when the purchaser pays the balance of the purchase price to the vendor. If you need to provide funds for settlement, these should be transferred into our trust account. These funds should be in our account at least **24 hours before settlement is due**.

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### Keys

Keys are usually collected by the Purchaser from the agent after settlement. The agent will only hand over keys upon receipt of written authorisation from the Vendor, which will be sent to the agent after settlement has taken place. Other keys will normally be left in the property, along with instruction books and household information.

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### Rate Adjustment

The Vendor is obliged to pay the rates on the property until settlement and the Purchaser after settlement. Rates are adjusted at settlement to ensure that this occurs. This is done by deducting from the money paid to the Vendor the amount outstanding for rates, and then adjusting those rates as if they had been paid, so that the Purchaser pays to the Vendor an amount equal to the rates payable for the period after settlement. Payment is made to

the rating authority for any amount owing and rates are therefore paid until the end of the rating year. The adjustment process is handled by us as part of settlement.

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### Completion

We will provide you with full financial details relating to the settlement and we will also advise the Council, water authority and the SRO of your purchase.

## FEE STRUCTURE AS AT 1 JANUARY 2025

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### CONVEYANCING – PURCHASE

Purchase Price	Legal Fees
Up to \$2,000,000	\$1,650 including GST, plus disbursements
\$2,000,001 - \$5,000,000	An amount equal to 0.1% of the purchase price. For example, our legal fee in respect of a property purchased for \$3,000,000 will be \$3,000 including GST, plus disbursements
Over \$5,000,000	By negotiation

### PRE-PURCHASE CONTRACT REVIEW

Contract review (standard)	\$330 including GST*
Contract review (off the plan)	\$550 including GST*
Contract review (complex)	Fee provided upon receipt of contract

*Occasionally contracts we review will be quite straightforward, and in those circumstances we can offer a reduction in the standard fee set out above.*

## SCHEDULE OF COMMON DISBURSEMENTS AS AT 1 JULY 2024

*(subject to change by providers without notice)*

Disbursement	Fee* (Including GST)	Why We Order it
Title Search	\$33.60	To ensure we have accurate information
Title Instrument (Covenant, Caveat, etc)	\$24.56	To ensure we have accurate information
Copy of Plan of Land	\$26.76	To ensure we have accurate information
Title Alert	\$11.81	To be aware of any dealings with the Title
Greater Western Water Information Statement	\$61.25	Provides information in relation to water rates and discloses any possible unregistered easements
South East Water Information Statement	\$65.96	
Yarra Valley Water Information Statement	\$57.89	
Barwon Water Information Statement	\$64.45	
Hobsons Bay / Maribyrnong / Brimbank / Melton City Council / Moorabool Shire Council Land Information Certificate (approx., depending on council)	\$70.21	Discloses various charges which may affect the land, things such as:  Failure to clear land; Flammable cladding charge; and Fire Services Levy
Wyndham / Greater Geelong City Council Land Information Certificate	\$64.85	
State Revenue Office Land Tax Certificate	\$49.55	Discloses any land tax liability which the vendor may have
Owners Corporation Certificate (Standard - 10 Days)	\$203.81	To ensure we have accurate information. In relation to the water information statement, land information certificate, land tax certificate and owners corporation certificate, these allow us to ensure that any debts the vendor may have to the authorities are cleared at settlement
Owners Corporation Certificate (Priority - 5 Days)	\$290.39	
Owners Corporation Certificate (Priority Express - 2 Days)	\$342.31	
Council Building Certificate (approx., depending on council)	\$94.85	Discloses building permits issued in the last 10 years and any building notices
PEXA (Electronic Settlement) Service Fee	\$137.39 or, where there is more than one title, \$157.19	Fee charged by PEXA for electronic settlement

**\*These fees include a service charge charged by our search provider Infotrack**

## WILLS AND POWERS OF ATTORNEY

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We recommend that you review your Will regularly. When you purchase a property is a good time to do so. Considering whether to give a Power of Attorney (Personal, Financial and Legal or Medical Treatment Appointment, or both) ('EPA') is also advisable. Our fees in this regard are as follows:

	STANDARD			COMPLEX	
	Single	Couple		Single	Couple
Will	\$500	\$700	Wills	\$800	\$1200
One EPA	\$300	\$500	One EPA each	\$300	\$500
Both EPAs	\$500	\$800	Both EPAs each	\$500	\$800
Will and one EPA	\$700	\$900	Wills and one EPA each	\$1000	\$1400
Will and both EPAs	\$800	\$1000	Wills and both EPAs each	\$1100	\$1500

Payment may be made by direct debit, cash, EFT or cheque. Credit card and EFTPOS facilities are not available.

### **Please Note**

Home visits can be arranged and will incur an additional charge.

Complex Wills and Testamentary Trust Wills may be required if your circumstances are more complicated. We will discuss this with you in detail if required.