



## **Important Things To Know When Buying Or Selling Property**

### ***Cooling Off Period***

In Queensland, buyers of residential homes are entitled to a 5-day cooling off period. The consequences are that all buyers are entitled to terminate the Contract for no reason within 5 business days of becoming bound by the Contract. A buyer becomes bound by the Contract as soon as the buyer or their agent receives a copy of the signed Contract. For this reason it is important for sellers to ensure that their real estate agent gives a copy of the signed contract to the buyer's lawyers as soon as possible after signing. At the end of the cooling off period, the buyer cannot terminate the Contract unless contractually entitled to do so under its terms, for example, for failure to obtain finance approval within the required timeframe. If the buyer chooses to terminate a Contract within the cooling off period, the seller must refund the buyer's deposit within 14 days but may deduct a termination penalty equal to 0.25% of the purchase price.

### ***Insurance***

There is a standard clause in the REIQ contract, which your real estate agent will most likely use, which provides that the property will be at the buyer's risk from 5.00pm on the first business day after the Contract has been signed. It is important that if you are buying a property that you arrange a cover note of insurance over your property immediately after signing the Contract to ensure your rights are protected in the event that something untoward happens to the property you are buying – even if it should occur before settlement.

### ***Building/Pest Inspection***

We recommend the carrying out of a pest and building inspection when purchasing property to ensure that there are no unwanted structural weaknesses or pests affecting the property. You should make sure that your real estate agent includes this condition in your contract. If included, you are entitled to terminate a contract under certain circumstances if you are not satisfied with the outcome of a pest and building inspection.

### ***Safety Switch***

Recent safety switch legislation was introduced in Queensland that requires a seller to disclose whether a safety switch is installed in a property. This is done in both the Contract and the transfer documents. If a safety switch is not installed it is the responsibility of the buyer to install a safety switch within 3 months days of buying that property.

### ***Deposit***

If you are selling your property, it is essential that the buyer pay a sufficient deposit when signing the Contract to cover unwanted costs incurred by the seller should the buyer default under the Contract. Generally, a maximum of 10% of the purchase price is payable as a deposit.

### ***PAMD Forms***

Your real estate agent must have the appropriate forms required by the Property Agents and Motor Dealers Act completed and attached to the Contract. If the appropriate forms are not annexed it could result in the buyer not being bound by the Contract.

### ***Agents Commission***

If you are planning to sell your property, you should discuss with your real estate agent any commission that may be payable and ensure that the appropriate documentation is executed when appointing the agent. This will avoid any dispute as to the payments or otherwise of commission to an agent at a later point in time.