



## PURCHASING A PROPERTY

### Things to be aware of prior to signing a Real Estate Contract

Purchasing a property is arguably one of the biggest and most important financial decisions you will make in your life. It can also be one of the most stressful. Avoid surprises by checking out the following points before 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. Consulting Lyon Conveyancing 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.**

#### Cooling off rights

Most purchasers have a statutory right to terminate a Contract ('cool off'). If you wish to terminate the contract you 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 fulfil 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.



