

Settlement Day

What is Settlement Day?

Settlement day is when the ownership of a property you have purchased is transferred into your name and the balance of the sale price is transferred to the seller. It is a legal process that is looked after by the purchaser's & seller's legal and financial representatives.

Settlement day usually occurs anywhere between four and six weeks after you have exchanged (paid your 5 or 10% deposit on the property) depending on the State the property is located in and what the parties have negotiated. Usually the seller will indicate the settlement date in the contract of sale.

Prior to settlement day you need to ensure you have completed a final inspection of the property to make sure everything is as it should be.

What is the process on settlement day?

Your solicitor and Lender meet with the seller's solicitor and Lender to exchange required documents, at a time and place that is agreed upon. At this meeting the balance of the purchase price is given to the seller's representatives.

At this time your solicitor will check to see that there are no caveats on the property, ensure that all the clauses on the contract have been met, check that the seller's existing mortgage on the title is discharged and makes sure the transfer of land and mortgage is registered in your state with the titles office.

To ensure settlement proceeds as smoothly as possible make sure you have -

- arranged a solicitor to act as your agent
- the sales contract is signed and dated
- all money ready to complete the sale (eg. stamp duty, Lenders Mortgage Insurance and any fees and charges)
- had a pest and building inspection (if purchasing a house)
- organised building and contents insurance for the new property (from the purchase date)
- completed a final inspection prior to settlement

Final inspections – What should you look for?

This often occurs within 24 hours of settlement. You will need to contact the real estate agent to arrange a time. It is an opportunity for you to ensure that the property is in the same condition as when it was sold to you or if it was agreed that repairs were to be done, that these have been completed. You should check:

- Walls, window coverings and light fittings
- Locks, garage doors remotes and all keys have been supplied
- Hot water systems, air conditioning, any heating and all appliances

What happens once settlement is complete?

- Your Lender will debit your loan account the amount they paid on your behalf at settlement
- Stamp duty and land transfers are usually paid on the same day as settlement so the property can be transferred into your name.
- You begin paying rates and council fees from the day of settlement.
- You can pick up your keys from the agent and take possession of your new home!

With the right preparation settlement can be the exciting stress free day that it should be!



This is general information only and is subject to change at any time. Your complete financial situation will need to be assessed before acceptance of any proposal or product.