

FRENCHBURT

PARTNERS

Lawyers



The Sale and Purchase Agreement

FRONT PAGE OF THE AGREEMENT

Date

The agreement is only formally dated once all parties have agreed to the terms, all required signatures have been obtained, and the agreement has been confirmed and dated by the agent. This date then becomes the official contract date from which all condition and settlement timeframes are calculated.

Vendor

The current owner/s of the property who are selling the property

GST

This confirms whether GST applies to the sale. Most standard residential homes are sold inclusive of GST (if any).

Property Details

This outlines the legal details of the property being sold, including

- Address
- Legal Description
- Type of title (freehold, cross lease, unit title etc)

Purchase Price

The amount being offered for the property

Deposit

This is the deposit amount payable once the agreement becomes unconditional, unless otherwise stated

Settlement Date

The date ownership transfers to you, and you receive possession of the property and keys.

Conditions

These are the clauses that protect you and must be satisfied before the agreement becomes unconditional.

Some common examples include:

- Finance Approval
- LIM Approval
- Building Report Approval
- Lawyer's Approval
- Due Diligence

If your conditions are not satisfied by the specified dates, the agreement may be cancelled depending on the circumstances

Tenancies

This confirms whether the property is currently tenanted or vacant.

Chattels

These are the items included in the sale, such as:

- Curtains
- Blinds
- Heat pumps
- Dishwashers
- Garage remotes
- Fixed floor coverings etc

Always ensure the chattels list matches your understanding of what is included in the purchase.

GENERAL TERMS OF SALE

Deposit

Explains when the deposit is due and how it is held in trust until the agreement becomes unconditional.

Possession and Settlement

Explains:

- When you receive the keys
- What happens on settlement day
- What occurs if settlement is delayed

Late Settlement

Outlines penalties or interest payable if settlement is delayed by either party.

Risk and Insurance

The property remains at the vendor's risk until possession transfers to the purchaser. It is still recommended that purchasers arrange insurance prior to settlement.

Title and Boundaries

This explains your rights regarding:

- Legal title
- Easements
- Encumbrances
- Cross Lease or Unit Title issues
- Boundary Concerns

Vendor Warranties

The vendor confirms certain things about the property, including:

- Chattels will be in working order
- Rates will be paid up to date
- No undisclosed notices affecting the property

Unit Title/ Cross Lease Clauses

Only relevant if purchasing a unit title or cross lease property. These sections deal with:

- Body corporate matters
- Levies
- Shared Areas
- A flat's plans
- Alterations

CONDITIONS EXPLAINED

Finance Condition

Allows time to obtain formal finance approval from your lender.

LIM Condition

Allows you to review the Land Information Memorandum from Council.

Building Report Condition

Allows you to obtain and review a builder's report on the property.

Toxicology Report Condition

Allows testing for contamination such as methamphetamine if included.

Lawyer's Approval

Allows your solicitor to review the agreement and advise you before proceeding.

Due Diligence

A broader clause allowing you to investigate the property further before confirming the purchase.

FURTHER TERMS OF SALE

This section contains any additional clauses added specifically for this property or transaction.

Examples may include:

- Escape Clauses
- Sale of another property clauses
- Early access arrangements
- Specific chattel agreements
- Vendor conditions
- Additional disclosures

These clauses can significantly affect the agreement, so please read them carefully and discuss them with your lawyer.

IMPORTANT TO UNDERSTAND

Once all conditions are satisfied or waived, the agreement becomes unconditional.

At that point:

- The deposit becomes payable
- You are legally committed to completing the purchase
- Cancelling the agreement may have serious legal and financial consequences

Please do not sign the agreement unless:

- You fully understand it
- You are comfortable with the terms
- You have obtained legal or financial advice you require