

# **ULTIMATE** REAL ESTATE SUCCESS **LIVE & VIRTUAL** **BOOTCAMP**

WORKBOOK - BRISBANE MARCH 2021





**SESSION FIVE**

**How To Protect Yourself  
And Deals, With Smart Legal  
Tactics And Strategies**

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## How do you get the most out of your Professionals?

- 2 Way Street
- Service or Product?
- Selection
- Scope of work
- Costs
- Trust relationship




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## When should you contact a Legal Professional?

What is the difference between a Solicitor doing the conveyancing on the purchase of a property and a Conveyancing Agency?




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## What is the Legal Process for Buying a Property?

- What are the pre-contract legal requirements?
- Does your Solicitor need to see the Contract prior to signing a Residential Contract?
- Proper execution of contract and electronic signatures




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## Examples of Insufficient Clauses

### SPECIAL CONDITIONS

Contract is subject to a 30 day due diligence clause from Contract Date.  
Vendor is entitled to a 20 day cooling off period

### SPECIAL CONDITIONS

The following provisions form part of this Contract.  
1. Appendix A - Special Conditions  
2. Appendix B - Draft of Quotations and Insurance  
3. Appendix C - Survey Plan  
4. Amend to FORFEIT SOIL TESTS WITHIN FINANCE 2000



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## State Differences - Contracts

- How do Cooling Off Periods work?
- How much do you lose?
- Can the cooling off periods be extended by agreement?



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## Contracts cont.

- Settlement time frames (working days)
- Access requirements during contract phase
- Settlement occupancy
- And or Nominee Clauses
- Deferred settlements and subject to council approvals
- Sunset clauses



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## What searches are necessary?

- Title
- Approvals and Structures
- Boundaries
- Main Roads / Railways
- Bankruptcy
- Others??




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## Rights and responsibilities at settlement

- Pre Purchase Inspections
- What if bank delays settlement?
- What else can happen?




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## Pre Settlement Inspections

- Before contract
- Pre Settlement Inspection




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## Pre Settlement Inspections



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## Other Contract Considerations

- What is the difference between Joint Tenants and Tenants in Common?
- What happens in the case of divorce, death and bankruptcy?
- When to insure the property



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## Options

### DEFINITION

The buyer has a *right, but not the obligation* to buy a something from the seller at a certain time in the future for a certain price

### TYPES

- Call Options – Buyers Option
- Put Option – Sellers Option
- Put and Call Options – Must settle



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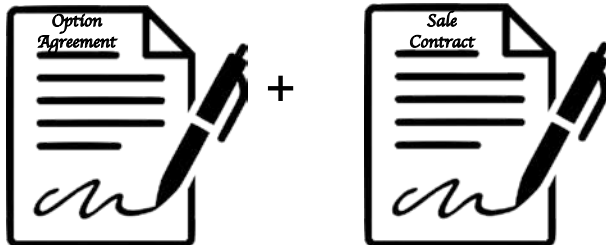
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## Options

The contract is annexed to the back of the option



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## Options - WHY USE AN OPTION?

### SELLER

- Delaying a purchase to a new financial year
- Get more for the property in exchange for time

### BUYER

- Don't know or have your buying entity ready yet
- Want to secure the site, but don't want to pay for or own it yet
- On sell to a third party (Be Careful with Stamp Duty).
- Want to add value/develop the site and on sell

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## Options



### COMMON CLAUSES

- Preconditions -DA, DD, Access, Builder Terms
- Call Option Fee
- Security Deposit
- Call Option Expiry Date vs Put Option Expiry Date
- Common obligations - who maintains and insures the premises during the option term
- Nominee Clause
- GST

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## Options

### COMMON CLAUSES

- Marketing of lots
- Uplift in price when on selling
- Security – Caveat
- What conditions you require: subject to DD, DA, Access
- Timelines – the option period
- Getting paid – the margin
- Getting the right to market the lots



What happens when you exercise your option?  
What's the process?




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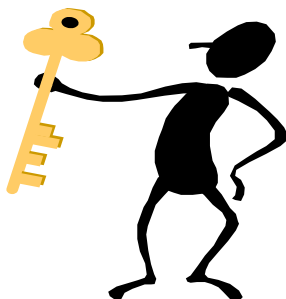
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## The key to safe contracting is a good solicitor!




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## Contact Us

Offices conveniently located throughout Australia...

- Phone:** 1300 151 651  
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**FB:** [facebook.com/Pacific-Law](https://facebook.com/Pacific-Law)

Also catch up with us via the Weekly Webinar Series (details can be found on the Members' Website).




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