

# ULTIMATE

REAL ESTATE SUCCESS  
COACHING PROGRAM

# VIRTUAL BOOTCAMP

## 4. YOUR LEGAL RIGHTS AND OBLIGATIONS

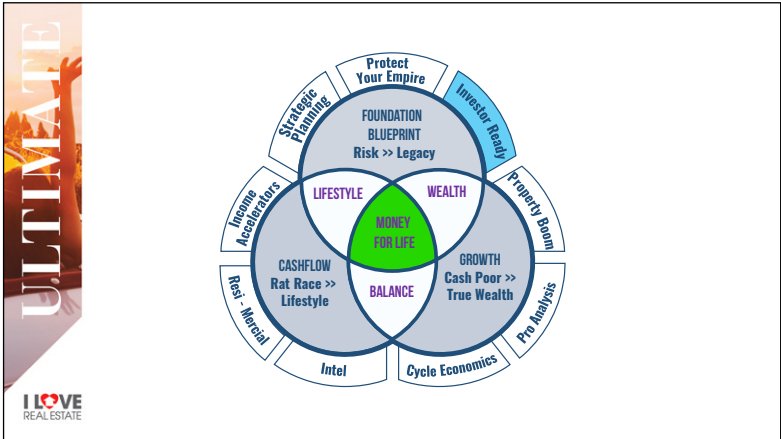
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**SESSION FOUR**

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

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SESSION FOUR

# YOUR LEGAL RIGHTS AND OBLIGATIONS





**DYMPHNA BOHOLT**  
Accountant, Economist, Author & Founder of I Love Real Estate



**CALVIN KONG** B.Comm/ LLB  
Director of Pacific Law  
Solicitor of the Supreme Court of Qld

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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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## Is there anything different for Commercial Contracts?

- GST
- Leases
- Tenant Options to purchase
- Tenant ownership of fittings
- Town Planning & Zoning
- Contamination / Asbestos



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**ULTIMATE**

## What Clauses need to be in a purchase contract?

- Building and Pest
- Finance
- Due Diligence
- Site Inspection/Survey



**NSW has a different contracting process**

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**ULTIMATE**



**ICE CREAM IS COLD**

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**ULTIMATE**

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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 30 day cooling off period.

### SPECIAL CONDITIONS

- The following annexures form part of this Contract:
1. Annexure A - Special Conditions
  2. Annexure B - Deed of Quitclaim and indemnity
  3. Annexure C - Survey Plan
  4. BUYER TO PERFORM SOIL TESTS WITHIN FINANCE PERIOD



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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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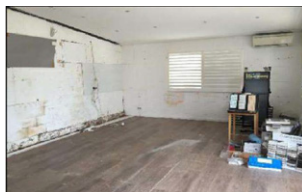
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## Pre Settlement Inspections

- 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
- Put and Call Options



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### Options

#### WHY USE AN OPTION?

- Delaying a purchase to a new financial year
- You don't know or have your buying entity ready yet.
- You 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).
- You 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
- The contract is annexed to the back of the option




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### Options

#### COMMON CLAUSES

- Nominee Clause
- Marketing of lots
- Uplift in price when on selling
- Security - Caveat



#### What happens when you exercise your option - The process




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### Options

#### THINGS TO BE CAREFUL OF

- What conditions you require: subject to DD, DA, Access
- Timelines – the option period
- Getting paid – the margin
- GST
- Getting the right to market the lots
- Caveat as security




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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
- Email:** info@pacificlaw.com.au
- Web:** [www.pacificlaw.com.au](http://www.pacificlaw.com.au)
- FB:** 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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