



TOOLKIT:

SELLING A PROPERTY

Property is for everyone.

Your guide to selling a property

The Morris Legal Group Team are property tragi-comics and have lived the journey of property ownership, so we know that it can be overwhelming.

This Toolkit is your winner's guide to selling property and will be with you throughout the conveyancing process.

Prepare to succeed

Your best recipe for success is a prepared, well-presented Property marketed by an enthusiastic and knowledgeable team. There are steps you can take to prepare your Property for sale to give you the best chance of an exceptional outcome.

- Choose the right Agent
- Engage us early so you are ready to go to market
- Think about the sales process (whether going to auction, expressions of interest or private treaty)
- Declutter the interior, tidy any outdoor spaces and attend to any niggling maintenance issues
- Finish any work on the Property and ensure you have all required certificates for the Property
- Review the Building and Pest Report like a Buyer, and nip any problems in the bud (**before** you hit the market!)

For more details on taking your property to market, check out our Tips for Stellar Sellers on page 5.

Be sure to:

- [Get in touch with us](#) so we can prepare the Contract for Sale, or start with an [instant quote](#)
- Check the process for discharging your mortgage with your bank or broker – these can be subject to lengthy wait times

- Plan your to-do list for each step of the conveyancing process (see page 3–4)
- Think about your other life admin, including:
 - > Getting your will sorted, or having your existing will reviewed (see page 9)
 - > Whether you need a new or updated Binding Financial Agreement, especially if you're moving in with your partner for the first time (see page 9)
- Start to plan your next big move, whether it's your next property purchase or other investment, once your sale has gone through!

Welcome to your property adventure!

If you need help at any point throughout the process, just reach out to us. We're thrilled to be on the journey with you and are only too happy to help.

► Want to know more?

We believe in sharing knowledge, experience and ambitions so that together we can build something bigger than ourselves and better than what came before.

Sound good? Let's chat.

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WHAT TO EXPECT WHEN YOU'RE SELLING AT AUCTION



GO TO MARKET

Prepare for auction

- ☐ Find an Agent
- ☐ Get styling and prepare for open homes
- ☐ Order Building Report and Pest Inspections
- ☐ Apply to the Bank to discharge your mortgage
- ☐ Collect moving boxes

Ask us to:

- ☐ Prepare your Contract
 - We will provide you with a **Seller Due Diligence Advice** on your Contract, which identifies issues and risks to be resolved before sale.
- ☐ Verify your ID
- ☐ Prepare a Client Authorisation Form



AUCTION DAY

The point of no return

- ☐ If there is an acceptable bid at the fall of the hammer, you sign the Contract
- ☐ The Buyer pays the Deposit to the Agent
- It's official!**
 - You have committed to the Contract until the end, which is called "completion" or "settlement".
- ☐ Maintain your building insurance



PRE-SETTLEMENT

Leave it with us

- ☐ Tell your Bank the property has sold
- We then organise your Bank to settle.**
- ☐ Contact electricity and gas providers for final meter readings
- ☐ Start packing
- ☐ Arrange a removalist (or some willing friends!)



SETTLEMENT DAY

It's yours

Congratulations!

- ☐ Your Bank is paid out
- ☐ Surplus funds are deposited to your bank account
- ☐ Agent pays you the Deposit, less their commission



POST-SETTLEMENT

The first day of the rest of your life

- ☐ Confirm electricity and gas is disconnected
- ☐ Cancel your insurance
- Rates, land tax and water transfer automatically to the new owner

! If settlement is delayed because of you or your Bank, you may be liable to pay interest to the Buyer and you will continue to pay your mortgage until settlement.

WHAT TO EXPECT WHEN YOU'RE SELLING A PROPERTY



GO TO MARKET

Showcase your home

- ☐ Find an Agent
- ☐ Get styling and prepare for open homes
- ☐ Order Building Report and Pest Inspections
- ☐ Ask us to prepare your Contract
 - ☒ *We will provide you with a **Seller Due Diligence Advice** on your Contract, which identifies issues and risks to be resolved before sale.*
- ☐ Apply to the Bank to discharge your mortgage
- ☐ Collect moving boxes



FIND A BUYER

The waiting game

- ☐ Receive and accept an offer
- The Agent tells us, and we send the Contract to the Buyer.**
- Come and see us to:**
 - ☐ Sign the Contract
 - ☐ Verify your ID
 - ☐ Prepare a Client Authorisation Form



EXCHANGE

The point of no return

- ☐ The Buyer pays the Deposit to the Agent
- It's official!**
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- ☐ Maintain your building insurance



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COMMIT FOR SUCCESS

The marketing and sales process can be tedious. After carefully preparing your Property and the Contract for Sale, you will need to keep it tidy for scheduled open homes, private viewings and (if applicable) auction day.

While it may be exhausting, it has been proven time and time again that a tidy, well-presented and well-maintained home with a considered and reasonable Contract for Sale will be more saleable.

By following these tips, keeping an open mind to advice and committing to the process, you have the best chance for a successful and stellar sale.

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Assemble Your Team

You will need your dream team around you. If you're reading this, we hope we are with you on the journey as your lawyer and conveyancer! You'll need a few others on your side.

Even when the market is with you, it pays to have the right Agent. Your choice in Agent can mean the difference between a record sale price and a disaster.

Not one size fits all, so shop around.

- Speak with a number of different Agents and receive appraisals from them
- Ask about their sales strategy, method of sale (auction or otherwise) and marketing proposal
- Select someone who knows the local market
- Be sure the Agent understands what you want to achieve from the sale – whether it be getting the best price or finding the perfect family for your home

Your chosen Agent will probably ask that you enter into an exclusive agency agreement, usually with an exclusivity clause. This means you will be liable to pay a commission to the Agent regardless of whether the Agent found your Buyer or not.

You may also need:

- Cleaning
- Furniture hire
- Gardening
- Maintenance and repairs
- Styling
- Removalist
- Building inspectors

Your Agent may have a list of trustworthy businesses they work with regularly. You are entitled to ask for quotes before proceeding with anyone, and you can of course use your preferred stylist or contractor – just say so.

Preparing the Property for Market

Once an Agent is on board, it is time to start preparing your property for market.

Your Agent will:

- provide advice on how to style your Property for maximum impact
- make suggestions for repairs or improvements that may be cost-effective and provide the best presentation to the market
- organise photography and marketing for the Property
- arrange Building and Pest Reports, and Energy Efficiency Rating certificates (ACT only)

This is the time to get in touch with us to prepare a Contract for Sale, which the Agent will need before marketing commences.

Read Your Building & Pest Reports

If you are selling a Property in the ACT, it is important to read the Building and Pest Report, as if you are a Buyer of the Property.

If there is anything that would make you question purchasing the Property, a Buyer is likely to think the same and not offer you the best price.

The most common issue is unapproved structures, or improvements built without proper approvals. Some common examples are:

- Extensions
- Internal renovations
- Decks
- Pergolas
- Fences

While you are under no obligation to obtain approval for unapproved structures, it can make a Property much more desirable to a Buyer if everything is approved, and you attend to any repairs that the Building Report recommends.

Continues >

YOUR SELLING ACTION LIST

So, you've found a Buyer and you've exchanged. Now the fun begins! Be sure to:

- **Apply for your discharge:**
Don't delay, talk to your bank about discharging your mortgage NOW.
- **Maintain your insurance:**
As a precaution, keep your insurance in place until completion.
- **Be ready to move:**
You must be completely out of the Property on completion. Book your removalist and get packing!
- **Book a pro:**
Book professional cleaners and tradespeople for cleaning and repairs. Ensuring your property is as well presented on completion as at exchange will help the closing process go smoothly.
- **Final reads:**
Book your final meter reading for electricity and gas, and arrange for the transfer of your internet and phone, around completion.

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Continued >

If you rectify any issues, this will only increase your chances of a successful sale. Let the building inspector know ASAP and they will provide an updated report for you to include in the Contract.

Drafting the Contract

As part of the Contract preparation, we will ensure the right documents are disclosed on the Contract as required by the legislation.

For NSW Properties, the onus is on the Buyer to complete their own due diligence when purchasing your Property, but in the ACT you are required to make certain disclosures by law, including in the Building and Pest Reports mentioned above.

If any of the below affect the Property please let us know:

- renovations have been completed in the last 7 years
- there are disputes with neighbours in relation to fencing
- an order has been made against the Property by the government
- you need to complete work prior to selling the Property
- you need to receive approvals or certificates for the Property or any element of construction upon it, including extensions, sheds, decks, pergolas, pools or pool fences, etc

Terms and Conditions

Ensure that you are on the lookout for these other important items and terms, which you will need to consider when planning ahead on your sale or assessing Buyer offers:

- **Inclusions:** Let us know the items that you are selling with the Property so we can correctly record this in the Contract. Anything fixed down will usually be expected to go with the Property and loose items will need to be taken with you. If, for example, you want to leave a wardrobe but it is not noted

in the Contract, the Buyer can ask you to remove this prior to completion. It is also important to record any items **not** included in the sale.

- **Swimming Pool/Spa:** If you are selling a NSW Property with a swimming pool or spa, you will need to provide a Certificate of Compliance as a condition of the sale. If you do not have one you will need to contact your local Council so that they can attend the Property to complete an inspection and issue the certificate.
- **Price:** Your Agent will have provided you with a price range anticipated for your sale in the agency agreement, and they are obliged to bring you every offer. While it's good to have a preferred price in mind, sometimes holding out for more money can backfire and it pays to be flexible. Keep an eye on properties on the market in your area, inspect other homes for sale at the same time as yours, read the news and take notice of any offers that you receive.
- **Deposit:** The Buyer will need to provide a Deposit for their purchase of the Property. The maximum is usually 10% and could be provided by cash or (with your consent) by bank guarantee or deposit bond. When paying the Deposit in cash, the Buyer may make an offer to exchange on 5% with 10% "at risk" (ie, payable later).
- **Completion Timeframe:** It is important to set a completion period that suits your needs. If you want to settle as soon as possible, a 42-day completion period is most suitable. If you need to purchase another property, then you may want to set a longer completion period to give you enough time to arrange your other property, such as 90 days. Buyers may also request longer or shorter settlement terms that suit them.

Pre-settlement

CHECKLIST



This is your last chance to check that the property is being handed over in a clean and tidy condition and that you have removed all of your items from the Property, ensuring that all items included in the sale remain.

Legend: ⊖ Not applicable ✓ Works ✗ Faulty

Do the sweep

You need to ensure that you have removed all your belongings and left the Property in a presentable condition at completion. The Buyer is entitled to do a pre-settlement inspection and will notify us of anything that is not in accordance with the Contract.

You can take steps to ensure the Buyer is happy and completion can happen smoothly. Be sure to:

- Move out with plenty of time for you to clean and check the Property before completion
- Do not attempt to remove items that are included in the Contract or would be expected to remain in the Property. Generally speaking, if you are likely to damage the Property by removing something (eg, ripping TV mounting brackets out of a wall) it should remain in the Property on completion unless you have agreed to its removal. When removing, ensure that you 'make good' by fixing any damage caused by that removal.
- Check every room, cupboard and drawer individually to ensure they are empty
- Check that the garage, attic, basement, garden shed, underfloor areas and crawl spaces are clear and Harry has moved his stuff out from under the stairs
- Provide a set of keys to the Agent to ensure access for the Buyer at completion
- Collect together any keys and remotes (for ACs, doors, gates, built-in entertainment systems etc) that you have are collected together
- Give the Property a good clean, or treat your Buyer to a professional clean and carpet steam

Ensure you have completed any works

If you agree to fix items or obtain approvals for unapproved structures or pool certificates, please ensure that this has been completed. If this has not been done, completion may be delayed.

Notes: _____

Check For New Damage

The Property is required to be handed over to the Buyer in the condition that it was in at exchange. If there is new damage a Buyer can ask you to fix this. Any delay in fixing these items can lead to a delay in settlement.

- Broken windows
- Damaged fixtures such as light fittings, shower screens
- Water damage (look for stains on the ceiling, floors)

Notes for repairs: _____

Keys

The keys for the Property need to be provided to the Agent. Any spare keys and remotes can be left in the kitchen drawer.

- ☐ Keys provided to the Agent
- ☐ Spare keys and remotes left

Have you:

- | | |
|---|--|
| <input type="radio"/> Completed work required | <input type="radio"/> Disconnected electricity, telecommunications, gas and internet |
| <input type="radio"/> Received any approvals or certificates required | <input type="radio"/> Cancelled all direct debit payments |
| <input type="radio"/> Fixed any damage | <input type="radio"/> _____ |
| <input type="radio"/> Final clean | <input type="radio"/> _____ |
| <input type="radio"/> Check all areas are clear | <input type="radio"/> _____ |
| <input type="radio"/> Handed keys to Agent | <input type="radio"/> _____ |
| <input type="radio"/> Redirected the mail | |

► When you've finished checking

Scan or take a photo of this checklist and sent it through to our team. We'll add it to your file.

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WHY DO WE MAKE ADJUSTMENTS?

Rates, land tax, water charges and body corporate levies are land charges that remain with the property being transferred. Adjustments are made at settlement to ensure that the Buyer and Seller are both paying their share of these charges.

This means that the parties are each fairly paying the land charges that apply to the time that they owned the property, regardless of when the account is changed or the transfer is registered on the title.

In the same way, rent that a property earns for its owner is adjusted so that the Buyer and the Seller each earn their share of the rent when the property passes.

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Adjustments refers to the 'splitting' of the costs of certain land charges on a property, such as rates, land tax, water charges and body corporate levies. The process ensures that neither the Buyer nor Seller are paying for these charges when they did not own the property.

How do we know what the charges are?

Prior to settlement, the Buyer's representative will obtain various searches for land charges including:

- *Certificate of Rates, Land Tax & Other Charges*, from the ACT Revenue Office or the relevant council;
- *Request for Charges* from Icon Water or local water provider;
- *Special Water Meter Reading* from Icon Water or local water provider; and
- *an update on payment of any body corporate levies* (if the property is a unit in a units plan).

These are provided to the Seller's representative to allow them to prepare a settlement statement.

How does it work?

The cost for each kind of charge is calculated for the period in which settlement will take place, and that cost shared proportionally between the Buyer and Seller so that:

- if the Seller has paid land charges for a time when the Buyer will own the property, then the Buyer will reimburse the Seller their share, by adding it to the purchase price; and
- if the Buyer needs to pay land charges for a time when the Seller owned the property, then the Seller will pay their proportional amount by taking it off the purchase price.

Usually, the parties agree to work on the basis that all outstanding bills are paid in full on settlement. This means that most adjustments are by the Buyer in favour of the Seller, and any payments that are outstanding are paid by the Seller on settlement by drawing a cheque to the council or utility provider.

Land tax

Land tax is usually not levied on owner occupiers and so land tax is generally not be adjusted when a Buyer intends to live in the property. However, in the ACT, if the Seller is liable for land tax a Buyer be able to request the Seller's assistance to have the ACT Revenue Office recognise that the Buyer is not liable for land tax, and reduce its costs. The rules are complex and may be changed by the Contract. Ask us if you're not sure.

What about gas, electricity and internet?

Gas, electricity, internet and other services are 'personal' utilities, and new owners will need to arrange connection for these services individually. Adjustments are not made on settlement.

Does anything else get adjusted?

If the property is tenanted, rent will be adjusted proportionally much in the same way as land charges are adjusted, so that the Buyer and Seller earn income on the property during the time they owned it.

The Seller will reimburse the Buyer for the cost of discharging any mortgage on title, which needs to be removed for the Buyer to register their name on the title.

An adjustment will also be made by the Buyer to the Seller for the Section 119 Certificate, and Building, Pest & Compliance Inspection Report, if one or both of these documents were required in the Contract.

Adulting

DO I HAVE TO?

The honest answer is no, but if you don't have a will, some unspeakable relative could end up owning your little patch of paradise when you die.

Yikes. Let's do something about that.

Every conveyancing client is offered a complimentary estate planning consultation.

For a surprisingly affordable fixed fee, we can provide you with:

- an estate planning advice tailored to you
- custom wills for one, a couple or more complex family
- enduring powers of attorney

No more excuses. Let's get it sorted for you.



Book your complimentary consultation here.

Sound good? **Let's chat.**

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*All matters are provided a fixed fee quote prior to commencement. Quote for custom wills will depend on whether the client is an individual or a couple, and on the complexity of the estate. All quotes will show you the GST-inclusive price but will exclude disbursements. Out-of-pocket expenses ('disbursements') are different for each client and are an extra cost which are passed on directly to you.



Resources

Helpful tools for your property adventure

Get a quote

Need an instant quote for your upcoming conveyance? No worries!

Find them all [here](#).

Fact sheets

We've put together some great resources on the conveyancing process, signing contracts, Crown leaseholds and settlement adjustments.

Find them all [here](#).

Payments made easy

We've made payments easy and paperless.

You can securely pay your invoice or place money into our trust account [here](#).

Government resources

Both the [ACT](#) and [NSW](#) Governments provide extensive information about living in each state. Check these resources for more information about housing and property.

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