

What Happens Once I Sign a Contract?

(QLD Private Treaty)

Once a property is under contract for sale there are many things that need to happen before settlement. Many buyers/sellers find themselves underprepared for what to expect and can be stuck trying sort things out with very short notice, or just confused with what's supposed to happen next.

This document is designed to assist with setting out expectations so you can anticipate what's next. **Every situation is different, so please treat this document as a general guide only. Consult with your solicitor/conveyancer if you are seeking specific advice.**

The general terms in a Queensland contract for the sale of property are:

- **Contract Date:** This is the date all parties on the current title and all parties looking to purchase, sign the relevant parts of the contract. This is the date that all the other deadlines in the contract are based on.
- **Deposit Due Date:** This is the date the deposit is due. Some contracts have an initial deposit and a balance of deposit, so be aware of what's in your contract. Allow enough time for the banks to transfer money as this can take 1-2 business days and be aware of transfer limits on your account and changes these if required. Deposit amounts are generally paid into the selling agent's trust account.
- **Cooling-off Period:** Queensland private treaty contracts for sale may be subject to a statutory 5 day cooling off period. If a buyer terminates the contract under the cooling-off period provisions, then a termination penalty applies (refer to your contract for details).

The cooling-off period starts on:

- the day the buyer receives a copy of the relevant contract signed by both parties from the seller; or
- if the buyer receives a copy of the relevant contract signed by both parties from the seller on a day other than a business day, the first business day after the day the buyer receives the copy from the seller; and
- Ending at 5p.m. on the fifth business day.
- Please note that starting on December 1, 2014 buyers may waive or shorten the cooling-off period by giving written notice to the seller of the waiver/shortening.

- **Building & Pest Inspection:** Although this is not a requirement, it's recommended that buyers complete a building and pest inspection and make the contract conditional on this. This is generally completed within 7 days of the contract date.

Once you receive the report, it's good practice to talk to your agent about any items of concern, because repairs may be negotiated depending on their severity. Once this step is completed, you should notify your solicitor/conveyancer whether you are satisfied with the results of the inspections.

- **Finance Approval:** If you are borrowing money to purchase property, it's prudent to ensure the sale contract is subject to finance approval (even if you have been pre-approved). In addition to what you provided to get pre-approved, your lender will need specific information about the specific property they will be lending money for. Finance approval is generally 14 days in Queensland.
- **Unconditional Date:** Building and pest inspections and finance approval are the most common conditions found on a contract for sale, although others can be agreed to by the buyers and sellers prior to a contract being signed. Once all conditions have been satisfied (and solicitors notified) the contract then becomes unconditional. This means that the buyer could lose their deposit if they do not complete the transaction after this date.
- **Settlement Date:** This is the date the buyer takes legal ownership of the property. The balance of the purchase price is due on settlement and it is generally 30 days from the contract date (although it is negotiable).

What happens between the date the contract goes unconditional and settlement date?

Once the contract goes unconditional, many things happen behind the scenes. Lenders organise the financing that they have approved and solicitors work through title transfer documents, water rates and council rates adjustments, rental adjustments if the property is tenanted etc. Unless there are errors on the title documents, buyers and sellers involvement during this time is generally limited to signing documents as advised by their solicitor.

What happens on Settlement date?

The seller's solicitor will contact the selling agent to hand the keys over to the buyer. Each solicitor should contact their respective clients to confirm that settlement has taken place and will provide a statement of adjustment to show how the funds have been disbursed to the respective parties.

We hope you've found this guideline helpful in outlining what happens once a property is under contract for sale.

If you'd like help selling your Gold Coast home, please give us a call on (07) 5535 3999