

# Buying a property in Victoria, Australia?

Here is a step-by-step guide to the general process:

## Phase 1: Preparation and Finance



### 1. Determine Your Financial Position and Budget:

- Assess your savings: Determine how much you have for a deposit and upfront costs (like land transfer duty, formerly known as stamp duty, conveyancing fees, and inspection costs).
- Calculate borrowing capacity: Review your income, expenses, and debts to understand how much a lender might be willing to lend you.
- Research government grants and concessions: Investigate eligibility for schemes like the First Home Owner Grant (FHOG) or land transfer duty exemptions/concessions if you are a first home buyer.



### 2. Obtain Home Loan Pre-Approval:

- Consult a bank or mortgage broker to apply for pre-approval. This gives you a clear maximum budget and demonstrates to sellers that you are a serious buyer, which is especially important in a competitive market.
- Pre-approval usually lasts for 3-6 months.



### 3. Engage a Solicitor or Conveyancer:

- It is essential to appoint a legal professional early in the process. They will review the contract of sale and vendor's statement (Section 32) before you sign anything.

## Phase 2: Property Search and Due Diligence



### 4. Define Your Property Goals and Search:

- Determine your non-negotiable features (location, number of bedrooms, etc.) and research suburbs and current property prices.
- Begin actively searching for properties online and attending open homes and auctions.



### 5. Conduct Due Diligence:

- Once you find a property you are serious about, your conveyancer/solicitor will review the Vendor's Statement (Section 32), which contains important legal information about the property (e.g., mortgages, easements, zoning).
- Arrange for a professional building and pest inspection to check for structural defects or pest problems (like termites). This is a crucial step that can be made a condition of the sale for private treaty sales.

## Phase 3: Offer and Contract



### 6. Make an Offer or Bid at Auction:

- Private Sale (Private Treaty):
  - Lodge a written offer, including the price, desired settlement date, and any special conditions (e.g., subject to finance, subject to building inspection).
  - Your offer may be negotiated with the vendor (seller).
  - If your offer is accepted, you will sign the Contract of Sale and typically pay a deposit (often \$1,000 initially, with the balance of the full deposit—usually 10%—paid after the cooling-off period expires or conditions are met).
  - Cooling-Off Period: For a private sale of residential property, a 3-business-day cooling-off period applies, during which you can withdraw from the contract, though a small penalty may apply. This period does not apply if you buy at auction.
- Auction:
  - You must register to bid.
  - Purchases at auction are unconditional (no cooling-off period, no 'subject to finance' or 'subject to inspection' clauses unless agreed in writing beforehand). All due diligence (contract review, building inspection, and final finance approval) must be completed before the auction.
  - If you are the successful bidder, you must sign the contract and pay the deposit immediately.



### 7. Finalise Your Loan Approval:

- For a private sale, once the contract is signed and any conditions (like a satisfactory building inspection) are met, you must provide the formal Contract of Sale to your lender to move from pre-approval to unconditional/formal loan approval.

## Phase 4: Settlement



### 8. Pre-Settlement Inspection:

- Usually conducted in the week leading up to settlement, you inspect the property to ensure it is in the same condition as when you signed the contract and that all fittings and fixtures included in the sale remain.



### 9. Settlement Day:

- The final legal completion of the sale, usually occurring 30 to 90 days after the contract is signed.
- Your conveyancer/solicitor coordinates with the vendor's legal representative and your lender to:
  - Exchange the final documents.
  - Pay the remaining balance of the purchase price.
  - Pay all associated government fees, including Land Transfer Duty.
  - Lodge the change of ownership with the Land Titles Office.
- Once settlement is complete, you will receive the keys to your new property!

Disclaimer: This is a general guide and not legal or financial advice. The process can vary depending on the type of sale and property. It is highly recommended to seek professional advice from a licensed conveyancer or solicitor and a financial advisor or mortgage broker.

