



Before you sign the Contract

- Through your real estate agent, your first step is to negotiate a purchase price with the seller. It's normal for the process to take some time as both parties change their offers.
- Use a solicitor or conveyancer to review your contract. They will be aware of any terms and conditions that may adversely affect you.
- After both parties are satisfied with the contracts, you can exchange contracts and pay a deposit. A 10% deposit is standard, but deposits as low as 5% can be accepted.
- Depending on your state, your vendor may grant you at least a 5 day cooling off period when you make a holding deposit payment of 0.25%. Ideally, your valuation and pest reports would have been organised beforehand, but if not, they need to be completed at this stage. If you change your mind later you will incur a penalty. Your legal representative can help you with collating these reports.
- It's important to remember that there is no cooling off period for auction purchases, or where there is a 66W (waiving the cooling-off). Make sure your legal representative has a thorough look at the contract to make sure you are satisfied.
- Your deposit should be placed in a trust account, which can accrue interest that is shared by the buyer and seller, until the settlement process is finalised.
- The average completion time for settlements is 42 days, but this can be longer or shorter depending on your circumstances.
- Please note that this info is specific to New South Wales, and other states have different processes

The 10% Deposit

If you are struggling to source the full 10% deposit before negotiation, there are three possible solutions.

1. Ask your legal representative to negotiate a deposit bond to cover the 10% deposit until settlement. Hypothèque can organise a bond for you.
2. Ask either your real estate agent or your legal representative to advocate for a 5% deposit. As long as you organise it before the contract phase your request has a good chance of being accepted.
3. The deposit a purchaser has put on your existing property can be released and used as the deposit on your new property. This is ideal if you are using proceeds from the sale of your previous property to finance a new one. Make sure your legal representative or real estate agent negotiates for this option before the contract exchange.