

Purchase of land — questions for the purchaser

August 2024



Question	Answer
<p>Title and nomination</p> <p>1. Registered owners</p> <p>Who is to be registered on the title(s) to the land?</p> <p>If more than one person how do you want to be recorded as owners?</p> <ul style="list-style-type: none"><input type="checkbox"/> Joint proprietors – on death property goes automatically to other joint proprietor(s).<input type="checkbox"/> Tenants in common – on death share in property forms part of deceased's estate. <p><i>You can find a diagram explaining the difference here.</i></p> <p><i>Also see our comments below about nomination.</i></p> <p><i>We are required to provide your personal information to various government agencies. For example, the local council.</i></p>	<p>Insert details:</p> <p>.....</p> <p>ABN:.....share.....</p> <p>.....</p> <p>ABN:.....share.....</p> <p>If tenants in common please advise the share to be held by each person. Consider issues such as:</p> <ol style="list-style-type: none">1. amount paid in cash by each person2. liability for repayment of any debt / expenses3. contributions by third parties ie parents4. entitlement to equity5. amount to be paid on sale6. what is stated in the contract about their percentage of ownership. If the percentage in the contract is different to how they are to be registered on title additional duty may be payable. Let us know if you are unsure and wish to discuss this issue.

2.	<p>Contact details</p> <p>Provide contact details for each person named in the contract and for a company purchaser, provided contact details for the director(s).</p> <p>Verification of identity</p> <p>Proof of identity is required in accordance with the Model Participation Rules issued by ARNECC for anyone who is to be registered on title.</p>	<p>Name:</p> <p>T:</p> <p>E:</p> <p>Address:</p>
3.	<p>Nomination</p> <p>Do you intend to nominate?</p> <p>If so provide details of any nominee.</p> <p>Note: <i>Any person undertaking any land development, including lodging a planning permit application, with the knowledge or consent of the vendor, purchaser or nominee prior to the nomination will deem the nomination to be a sub-sale and double duty will be payable.</i></p> <p><i>'Land development' is defined broadly and includes:</i></p> <ul style="list-style-type: none"> • <i>preparing a plan of subdivision or taking steps to have it registered</i> • <i>applying for or obtaining a planning permit</i> • <i>applying for or obtaining a building permit or approval</i> • <i>doing anything on the land for which a building permit or approval would be required</i> • <i>requesting an amendment to a planning scheme that would affect the land</i> • <i>developing or changing the land in any way which would increase its value.</i> <p>Please see Revenue Ruling DA-064v2 Land transfer duty - meaning of land development for guidance on the activities that the Commissioner of State Revenue will consider to be 'land development' as defined in the <i>Duties Act 2000 (Vic)</i></p>	<p>Yes/No</p> <p>Name:</p> <p>T:</p> <p>E:</p> <p>Address:</p>
4.	<p>Capacity</p> <p>Is any person to be registered on the title(s) in their capacity as an executor, trustee, guardian or administrator? Will any person have their attorney sign on their behalf (pursuant to a power of attorney)?</p>	<p>Yes/No</p> <p>If yes – provide details</p>
5.	<p>Related entities</p> <p>Is any person to be registered on the title(s) related and/or associated with the vendor, including any subsidiary or holding company?</p>	<p>Yes/No</p> <p>If yes – provide details.</p>

	<p>The State Revenue Office requires additional information about the value of the land for transfers between related parties including associated or fractional interest transfers. See sections: s10 (1)(a) & (d) of the Duties Act 2000 (Vic).</p> <p>You can find information from the State Revenue Office here.</p>	
About you		
6.	<p>Foreigners</p> <p>Is anyone/entity to be named in the contract and/or to be registered on the title(s) a foreign entity / person / resident?</p> <p><i>There is additional duty payable for foreign natural persons, foreign corporations and trustees of a foreign trust. Foreign entities are defined on the SRO website.</i></p> <p>If the purchaser is a trustee of a discretionary trust, the trust will be considered a foreign trust unless it prohibits distribution to foreign persons. Please provide us with a copy of the trust deed so we can confirm whether your trust deed does this.</p>	<p>Yes/No</p> <p>If yes:</p> <ul style="list-style-type: none"> • you may be required to obtain prior approval from a state and/or federal government to buy the land • you will be subject to higher duty if the land is residential land • when you sell the land certain withholding obligations apply.
7.	<p>Date of birth</p> <p>Provide the date of birth of each person to be registered on the title(s).</p> <p><i>We are required by law to provide this information to various government agencies.</i></p>	<p>Name:</p> <p>DOB:</p> <p>Name:</p> <p>DOB:</p>
8.	<p>Company purchaser</p> <p>For a corporate purchaser, who is authorised to give instructions, sign the contract/vendor's statement/transfer?</p>	<p>Insert name(s):</p>
9.	<p>Selling agent</p> <p>Are you the selling agent or the agent's employee or relative?</p>	<p>Yes/No</p> <p><i>If yes, refer to section 55 and 55A of the Estate Agents Act 1980 (Vic) for the process to be followed.</i></p>
10.	<p>Did you receive from the selling agent or vendor a due diligence checklist prepared by Consumer Affairs Victoria (CAV). Usually this is attached to the sale documents.</p>	<p>Yes/No</p> <p><i>The burden is on you to undertake an extensive due diligence before you enter into the contract to buy the property including investigating the matters set out in the due diligence checklist prepared by CAV.</i></p> <p><i>If you have not yet read this checklist, you can find the CAV checklist here</i></p>
Insurance, tax, duty, wills, POA		

11.	<p>Have you arranged insurance for the land/building?</p>	<p>Yes/No</p> <p><i>Please discuss any insurance requirements with your insurer / broker. Some purchasers take out their own insurance prior to settlement to ensure adequate insurance is in place and because most lenders require it. This may not be required if the owners corporation insures the land and building.</i></p> <p><i>You should be aware that the vendor may not have adequate insurance cover or any insurance at all.</i></p>
12.	<p>Will you be applying for:</p> <ul style="list-style-type: none"> • first home owners grant • the First Home Guarantee, Regional First Home Buyer Guarantee or the Family Home Guarantee • Victorian Homebuyer Fund • reduction in duty payable for any reason. For example, pension concession, transfer to spouse. <p><i>If you are buying or building a new home valued up to \$750,000, you may be eligible for the first home owners grant. A similar grant is available for young farmers.</i></p> <p><i>You can find more information about the first home owners grant here.</i></p> <p><i>The home guarantee schemes listed above are Federal Government initiatives. You can find more information about the first home loan deposit scheme here.</i></p> <p><i>You can find more information about duty concessions and exemptions here.</i></p>	<p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>
13.	<p>Have you considered the tax consequences, such as GST, GAIC, land tax, CGT, Windfall Gains Tax, Commercial and Industrial Property Tax and duty of your purchase?</p> <p>If no, do you require us to advise you on any tax issues?</p> <p><i>Duty is payable to the Victorian Government when buying land. Duty is usually paid at settlement. You may wish to calculate the amount of duty payable on your purchase by accessing the online calculator on the State Revenue Office here.</i></p> <p><i>You can find the LPLC tax issues checklist here.</i></p>	<p>Yes/No</p> <p>Yes/No</p> <p><i>*We recommend you discuss any issues with your accountant.</i></p>
14.	<p>Have you considered the effect the purchase will have on your will?</p>	<p>Yes/No</p>

	Have you considered whether you need to do a power of attorney?	Yes/No
Finance		
15.	Have you paid the full deposit? Please inform us if you paid by bank guarantee / deposit bond. If yes, was the deposit more than 10 per cent of the price?	Yes/No Yes/No
16.	Are you purchasing subject to finance being approved? <i>If yes:</i> <ul style="list-style-type: none"> • you need to immediately apply to the specified lender for the specified amount and keep us informed of your progress and must notify us before the approval date about whether finance has been approved to enable us to notify the vendor to end the contract. • the vendor may ask for evidence of your inability to obtain finance should you wish to withdraw from the contract. 	Yes/No
17.	Are you obtaining a loan to pay for some of the purchase price? <i>For any funds you are providing at settlement we recommend you authorise your lender to draw on your account(s) to deduct funds for settlement.</i>	Yes/No If yes, provide the name of your finance broker / lender.
18.	Have you notified your finance broker / lender of your purchase? <i>If yes, have you provided them with a copy of the contract of sale and section 32 statement?</i>	Yes/No Yes/No
19.	Is any person who is not to be registered on the title(s) providing funds to assist with your purchase of the land?	Yes/No If yes, provide details.
20.	Release of deposit Have you received release of the deposit statement? <i>In Victoria, a vendor may request that a purchaser agree to the release of the deposit prior to settlement. There is a very detailed process that a vendor must follow before a deposit can be released including providing the purchaser with a release of deposit statement to sign.</i>	Yes/No If yes, date of receipt:
About the land and good		
21.	Goods Does the contract list all goods included in the sale?	Yes/No

	<p>Common goods listed in a contract a sale include light fittings and blinds. The vendor is entitled to remove any goods from the land not listed in the contract as included in the sale. This is why it is important that the list of goods contained in the contract is as agreed. Disputes have arisen in relation to dishwashers, pool equipment, mirrors and TVs.</p>	
22.	<p>What is the location on the plan of subdivision of the land? <i>Note: car spaces may be subject to a congestion levy.</i></p>	See attached copy plan of subdivision. Highlight each part including the land, apartment/unit, any car space(s), storage lot(s) or other areas included in the sale.
23.	<p>What is your intended use of the land? <i>For example a dwelling or shop.</i> Is this the same as the current use? <i>How land can be used is determined by a number of things including the zoning of the land. Investigating the permitted use for the land is part of your due diligence. Read more here.</i></p>	<p>Insert details: Yes/No</p>
24.	<p>Do you intend on:</p> <ul style="list-style-type: none"> • leasing the property • residing in the property. <p><i>Note: if you are buying subject to a lease this lease may continue after settlement.</i></p> <p>Do you require our advice about any lease matters?</p> <p>Do you intend to reside at the property as your principal place of residence?</p> <p><i>If yes, land tax may be payable from settlement for the principal place of residence you currently reside in if you are not selling that property.</i></p>	<p>Yes/No Yes/No Yes/No Yes/No</p>
25.	<p>Do you believe any of the information in the section 32 statement is incorrect?</p>	<p>Yes/No If yes, provide details:</p>
26.	<p>Are boundary fences in reasonable condition? <i>Note – if you are concerned about the boundary locations we recommend you obtain a land survey. If no - once the contract is signed you will be responsible at your cost for any necessary fencing works.</i></p>	Yes/No
27.	<p>Is there a pool or spa at the property?</p> <p>If yes – are barriers in place?</p>	<p>Yes/No Yes/No</p>

	<p>On 1 December 2019 new inspection, certification and registration requirements were introduced in relation to swimming pools and spas.</p> <p>As part of the changes, owners are required to register their pool and spa with their local council and have their safety barrier inspected.</p> <p>You can find more information about the safety requirements for swimming pools and spas on the Victorian Building Authority website here.</p> <p>After settlement the council will contact you about any required safety barrier inspection.</p>	
28.	<p>Do you have any reason to believe that the vendor has done any renovation works in the last seven years (including non-structural cosmetic works)?</p> <p>For example, renovated a bathroom.</p>	Yes/No
29.	<p>Has the vendor entered into any agreement with the local council to fund any works required to rectify any flammable cladding on any building(s) on the land?</p> <p>See part 8B in the Local Government Act 1989 (Vic).</p>	Yes/No
Settlement		
30.	<p>Please diarise the settlement date.</p> <p>The settlement date is the date when the balance of the purchase price is payable to the vendor. You will be entitled to possession of the property once settlement has taken place and after settlement. The keys (if applicable) can usually be collected from the selling agent.</p> <p>You are entitled to inspect the property once at any time seven days prior to the settlement date. Please contact the selling agent to arrange the inspection.</p>	Settlement date:
31.	Where would you like correspondence sent after settlement?	The property address - or insert other address:
Any questions		
32.	Please contact our office if you have any questions you have about your purchase.	
Information available from Consumer Affairs Victoria (CAV)		
33.	You can find information published by CAV about buying real estate, owners corporations, renting and retirement villages here .	

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Signed by or on behalf of the purchaser(s)