



## Selling The Legal Aspects

This booklet is not a complete statement of the law. It does not deal comprehensively with your particular situation.

This booklet is to provide general information to supplement our specific advice to you. Do not act in reliance on this booklet without our specific advice.

We are responsible only if you give us specific instructions and for the specific advice we give.

This booklet was originally prepared in 1995 and last updated in 2011. It does not reflect changes to the law after that date. You need to take specific advice on the possibility or effect of any such changes.

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## **Do you need an agent?**

We recommend most people instruct a real estate agent. It is possible to market your property yourself but most people benefit from the expertise of an agent.

Real estate agents have expertise on assessing the value of your property, finding a purchaser and assisting you and the purchaser to reach agreement.

Very few of us can make an informed assessment of the value of our own property. We are biased to overvalue it. A real estate agent brings an independent experienced perspective. A real estate agent can compare your property to the sale price of other properties recently sold. An agent brings to the transaction the ability to close a deal and work through the different needs of vendor and purchaser to bring them to agreement. Often without a third party involved in the negotiations, minor matters can stall progress towards agreement.

## **What does a Real Estate Agent cost?**

The Real Estate Institute recommends rates of commission. Agents can charge whatever their clients agree. Most agents charge the recommended scale, some a little more. Advertising may cost extra.

The commission varies with the value of the property. The indicative scale figure would be:

- for a \$100,000 property, \$4,272,
- for a \$200,000 property, \$7334,
- for a \$300,000 property, \$10,364.

## **Choosing an Agent**

Get two or three of the local agents to inspect your property and give you an appraisal.

Do not choose an agent who is not a specialist in the area. A local agent will know the area. A local agent is most likely to be contacted by purchasers for the area.

The agent who values your property the highest is not necessarily the best. If the

property is overvalued it will not sell.

Choose an agent who is professional and knowledgeable. You should get on well with your agent. Choose an agent you can trust.

A good agent will be able to suggest an asking price for your property and show you examples of recent sales to back up that opinion.

## **Types of agency**

Generally, it is best to have only one agent working on your property at a time. If the property has been listed for some time without success, consider changing agents or bringing in a second, but don't chop and change between agents. Give the agent a chance. A property listed with several agents is everyone's responsibility and no-one's responsibility.

Get your agents advice. A good agent will convince you of the best way to market your property.

The agent may ask to be exclusively appointed so any sale for a certain period will earn a commission: including one not organized by the agent. If this period extends until you cancel, don't forget to cancel the agency in accordance with the agreement. This is likely to need written notice.

## **Types of sale**

Most properties in Tasmania are sold by negotiation and contract.

You and your agent should agree on a logical plan and a logical price for marketing your property. An auction might be a useful part of that strategy.

Auctions are not standard in Tasmania. Auctions are useful for a special property or where there will be a lot of competition in the market. Auctions should not be used as a last resort.

## **What does my lawyer do?**

The preparation and exchange of the contracts is the first stage of the sale.

The second stage is the lawyers work is to prepare and arrange for settlement. It is the lawyer's job to make sure you are paid in full and manage fulfilment of the contract.

The lawyer arranges the apportionment of the rates and the land tax between you and the purchaser so each pays their share.

Your lawyer will check your title is in order and arrange to clear any mortgages outstanding.

Your lawyer will check and arrange for you to sign any necessary transfer documents and make sure the Council, Land Valuation and Land Tax authorities are notified as required by statute.

You will need to arrange and to close your own household accounts, including the electricity and telephone accounts.

The lawyer organises the settlement itself and makes sure that in exchange for your title deeds you receive the money you are entitled to. Your lawyer applies your money to clear outstanding debts and sends you the balance as you direct.

## **Do I need a lawyer?**

It is not illegal to do your own conveyancing.

Most people advising on property transfer suggest you instruct a lawyer.

Your estate agent cannot do the conveyancing. Persons who are not licensed and regulated who do conveyancing for a fee are breaking the law.

The conveyancing process is complex. It requires precision and prompt action. It can be difficult and time consuming.

An inexperienced person is more likely to make mistakes. Without a lawyer, you would

bear the cost of mistakes you make. Lawyers are less likely to make mistakes and responsible if they do. They have insurance to protect you if there is a mistake.

## **What will the Lawyer Cost?**

Lawyer's fees vary from lawyer to lawyer. Get a quote from your lawyer.

Fees for this sort of work are completely deregulated. Lawyers compete in the market on price **and quality**.

The Law Society has a recommended scale which varies primarily according to the value of the property.

## **Is it cheaper where the same firm acts for the Vendor and the Purchaser?**

There is variation from firm to firm. At Tierney Law, the cost is slightly but not significantly cheaper for the parties where we act for both the Vendor and the Purchaser. There are some small savings within the firm in efficiency of communication and searching and these savings are passed on to the clients, but these are not the significant costs.

Substantially the same amount of work needs to be done where the same firm acts for the Vendor and the Purchaser. The responsibility is greater not less when the one firm acts for both parties.

At Tierney Law where we act for both the Vendor and the Purchaser, we run two separate files with a separate person acting for each party. We believe this is necessary to maintain our quality standards and to be at maximum alert for possible conflicts of interest.

## **What Other Costs Apply?**

If you have a mortgage to clear, the bank will charge you a fee; usually between two

and three hundred dollars. There will be tax to clear the mortgage of slightly more than one hundred dollars.

Check the other costs with your lawyer. They are mainly government taxes. They will usually be less than one hundred dollars.

## **What is included in the sale?**

Usually a house is sold with the curtains and blinds, light fittings, floor coverings and electric stove. Usually a fixed TV antenna and any water pumps are included. Chattel items beyond that rarely add significantly to the sale price, but they may be a useful sweetener to make a deal if presented as something extra after the first round of negotiations.

If you do not wish to sell any of the usual items, consider removing them from the property before the purchasers arrive in case they become a sticking point on negotiations.

## **What will your property sell for?**

What will you ask for your house? What will the purchaser offer you?

There can be no agreement until both these questions are answered with the same figure. You can ask what you like for your property but you are wasting your time if no-one will pay what you ask.

Generally, the more you ask for your property the longer it will take for you to sell it. If you ask too much you will never sell it.

Although you can always lower your price and it is hard to put the price up, if the early asking price scares the purchasers away they might not give you a second chance at the lower price. Once turned away by too high a price, purchasers may not come back to a property even though the price has dropped.

You can judge the value of your property by reference to other properties in the area. Be aware other properties have a different asking price to what they actually sell for. Be fair when comparing your property to others. Take account of the disadvantages of your property as well as the advantages.



## **What tax is payable on sale of your property?**

The good news is there is no stamp duty on selling.

Check your liability for Capital Gains Tax and GST before setting a price. Talk to your accountant if necessary. Note the Capital Gains Tax comments below.

If GST is payable, as the Vendor you are the supplier and GST is your problem unless the contract passes the tax on to the Purchaser. If you not registered for GST nor required to be registered you do not have to pay GST.

If you are subject to GST check the various exemptions.:

- Is it the sale of a going concern or of farm land?
- Does the residential property exemption apply?
- Should you use the margin scheme?

In some cases if you are subject to GST, you may not be able to finalise the GST treatment till you know the GST status of the Purchase but at least get your position clear in your mind.

## **Presenting your house?**

If you walk into any used car yard, all the cars are clean and tidy. Like a car yard, detail the appearance of your house to get the best price. Look at it not as your home, but as a product you are selling.

Few vendors recover their investment in significant renovations, but making an effort to best present your property can make a difference.

The house needs to be neat and tidy, including paintwork, gardens and windows.

Does the carpet need steam cleaning?

Put away the children's toys. Keep the beds made. Kitchens and bathrooms are particularly important. They make or break the house. Keep the benches clear.

Clear out your rubbish. Your house will look bigger. Have a garage sale. Moving will

be easier.

All houses have their own character and smell. Neutralise any strong odour. Pet owners, smokers, and curry eaters beware.

## How do I bind the Purchaser?

The parties become bound by signing a contract.

First you must agree on the terms of the agreement with the Purchaser such as:

- the purchase price;
- the amount of the deposit, (*this is usually ten percent but it is open for negotiation*);
- a description of the land (*make sure that you show them a copy of the title and plan of the property*);
- a description of the household goods to be included i.e. fixed floor coverings, light fittings, curtains and blinds, electrical items, TV antennae ( these are referred to as “chattels” in the contract);
- the date you want to settle;
- provision in the event that the purchaser needs to organise finance from a bank or to sell their house; any
- other matters which may place an obligation on either you or the purchaser to do something before the contract is settled.

You need to sort out with the purchaser the key variables of the contract.

If you are using an agent the agent will draw the contract. If you have any queries, get Tierney Law to review the contract before you sign.

If there is no agent instruct your lawyer to draw the contract. Your lawyer will need:

- the name and address of the Purchaser; and
- the name of the lawyer for the Purchaser.

A form of instructions to Tierney Law to prepare a contract is included at the end of this booklet .

Your lawyer will then prepare a contract for your approval and send it to the purchaser’s lawyer for approval. Check your draft contract is as agreed.

In particular make sure that it includes all the land sold and only the land sold and that all the chattels are listed.

Please let the person drawing the contract know of any discrepancy between the title and the boundaries in reality. Make it clear to if you need anything unusual in the contract or any changes.

If you have any queries on the contract, contact your lawyer.

## **Do I need a 'Get Out' Clause?**

Parties may want a binding contract despite some matters outstanding before the parties can be finally committed to go ahead.

Purchasers may need to lock in a property subject to a final bank approval. Many banks want to see the contract before they give a final answer.

Sometimes purchasers want the security of a contract before they spend the money to undertake some final searches, for instance a valuation, building inspection or property survey.

A vendor might need, for instance, to complete a subdivision of the Title or might be selling subject to some other transaction proceeding.

The technical term for these 'get out' clauses is "conditions precedent". They specify things that must happen before the party are bound to complete the transaction.

The contract needs to be specific about what must be done and by when.

Typically if the condition is not satisfied within the deadline the transaction falls over with the parties free to renegotiate and write a new a Contract.

Parties may later need extra time for 'get out' clauses and agree to extend the contract timetable .

## **What Deposit Do I need?**

The vendor's interest in the land is a bond for the obligations of the vendor. If the vendor breaks the deal the purchaser can claim against the land. The deposit is a bond of the purchaser's obligation.

There is no legal requirement for any particular amount or for any amount at all. How much does the vendor want/need to feel safe enough? How much does the purchaser have handy?

If the purchaser is running short the purchaser can provide a deposit bond instead which is like an insurance policy for the deposit. The purchaser pay an insurance company to guarantee payment of a deposit.

A deposit of 10 percent of the purchase price is typical but the amount is subject to variation and the amount varies with the negotiation.

## **Does the Purchaser lose the Deposit?**

The deposit is a bond of the purchaser's obligation. If the purchaser wrongfully breaks the deal and if the breach is bad enough, the vendor may be able to call off the contract and then purchaser automatically loses the deposit. Minor breaches do not justify that. Failure to pay a deposit on time for instance is a major breach. Delay in making the final payment is typically not a major breach.

If the contract fails because some agreed pre-condition to the contract does not happen, the purchaser will be able to get the deposit back.

## **What does the contract say?**

At the end of this booklet is a sample copy of the standard contract used throughout Tasmania. This is the contract approved by the Law Society as fair to both sides.

If the purchaser's offer is subject to finance or the purchaser's sale, clauses in the contract need to be completed to show the finance or sale details. If the purchaser's offer is unconditional these clauses will be deleted. If the purchaser does not sell or get

finance within time, the contract will lapse. Usually the purchaser is then repaid any deposit.

If you wish to have such a contract subject to the purchaser selling their own house, consider providing that you have the right to shut the contract down early if you receive a better offer while waiting for the original purchaser to sell.

## **How do I get the contract signed?**

The agent will usually organise this if there is one.

If there is no agent get your lawyer to advise you how to get the contracts signed.

## **When does the property Change hands?**

The parties set the changeover date in the contract. This is recorded as the settlement date.

Settlement is the exchange of the balance purchase monies for the title documents that finalises the transfer of ownership. Settlement is sometimes called completion. You do not need to attend the settlement.

Sometimes matters settle later than the contract date. By agreement of the parties can bring forward the date for settlement. Do not rely on the contract date without first contacting your lawyer. The contract remains binding on both parties even if settlement is delayed.

Most people find it convenient if settlements proceed on Friday, rather than any other day of the week. Where people are moving it is often convenient to have the weekend to settle into the new property. Liaise with the other party to pick a date that is convenient.

# Will I have to Pay Capital Gains Tax?

## *What is capital gains tax?*

Capital gains tax (CGT) is the tax that you pay on any capital gain you make and include on your annual income tax return. It is not a separate tax, merely a component of your income tax.

A capital gain is the difference between your **capital proceeds** and the **cost base** of your **CGT asset**—for example, if you sell an asset for more than you paid for it, the difference is your capital gain.

You make a capital loss if the **reduced cost base** of your **CGT asset** is greater than your capital proceeds. The capital loss is the difference between the capital proceeds and the reduced cost base.

You are taxed on your net capital gain at your marginal tax rate.

Your **net capital gain** is:

your total capital gains for the year

*minus*

your total capital losses (including any net capital

losses from previous years)

*minus*

any CGT discount and small business CGT concessions to which you are entitled.

## **Example:**

Fran's taxable income of \$56,000 in 2003-04 included a net capital gain of \$1,000. The tax rate which applies to income between \$52,001 and \$62,500 for 2003-04 is 42 cents per dollar plus Medicare levy of 1.5 cents per dollar.

The tax and Medicare levy which applies to Fran's capital gain is \$435 (43.5 cents x \$1,000).

Generally speaking, you disregard a capital gain or capital loss on:

- an asset you acquired before 20 September 1985;
- disposing of your main residence. This can change depending on how you came to own the residence, whether it is on more than 2 hectares of land and what you have done with it—for example, if you have rented it out, you may be liable to some tax when you sell it;
- a collectable or a personal use asset—for example, items such as boats, furniture, electrical goods and household items used or kept mainly for personal use or enjoyment—if you acquired it for \$10,000 or less. You also disregard any

capital loss you make from a personal use asset, irrespective of the cost;

For detailed information about capital gains tax talk to your accountant or refer to the tax office booklets *Guide to capital gains tax* or *Personal investors guide to capital gains tax* . These are available on their website [www.ato.gov.au](http://www.ato.gov.au) .



## ***Working with Us***

### ***Cost***

We will provide you with an estimate of likely costs after our initial discussions. It may be necessary for us to revise our estimate.

Where it is too difficult to predict the progress and outcome of matters, and estimate likely costs, we will give you a likely range and the details of the variables.

We can provide you with an indication as to your costs to date and an up to date estimate of future costs at any time.

On some matters such as property purchases and sales, we charge a fixed fee for the standard elements of a transaction. Outside the standard elements of such matters, and where the uncertain future of the matter means we cannot calculate a fixed fee, our fee is based on the time taken to perform the work.

Costs incurred by you are payable even if you decide not to go ahead with your matter.

When dealing with a legal practitioner, you have rights to negotiate a costs agreement, receive a bill of costs and to request an itemised account within 30 days of receipt of a bill.

Our time is charged on the basis of six (6) minute units of activity. Each unit or part of a unit is charged at 1/10 of the hourly rate applicable.

The hourly rate as at the 1st July 2010 is as follows:

- Tim Tierney \$260.00 + GST \$26.00
- Peter Tierney \$250.00 + GST \$25.00
- Andrew Cameron \$220.00 + GST \$22.00
- Tessa Poulson \$160.00 + GST \$16.00
- Patrick Tierney \$140.00 + GST \$14.00
- Paralegal \$120.00 + GST \$12.00
- Clerk/Secretary \$90.00 + GST \$9.00



Our overall rates are reviewed annually and typically follow the CPI.

Secretarial time, typing dictated correspondence and documents is not separately charged.

We obtain GST exempt and GST free supplies as your agent. You will need to reimburse us for those expenses we reasonably incur on your matter. We charge for any significant photocopying, postage, phone charges etc. on a cost recovery basis.

We usually send our account when the file is completed but if the matter goes beyond two months, we may send accounts monthly. We can send accounts on earlier request by you.

Our account is payable within fourteen (14) days of the date of the account.

If you have any queries on cost please telephone the person responsible for your file or if you prefer Tim Tierney.

***Who is in charge of your file?***

Tim Tierney is the principal of the firm. All other persons in the firm are employees.

Peter Tierney, Tessa Poulson, Andrew Cameron and Tim Tierney are legal practitioners. Others may assist on your file including secretaries and clerks. They are not legal practitioners.

Unless otherwise advised, the person who signs your letters is the person primarily responsible for your file. You will be told if the person responsible changes.

Please direct enquiries to the person responsible for your file. Others in the office have access to your file and reception may be able to answer many queries in relation to your file if you are unable to contact the person responsible for your file. Procedural matters such as organising appointments, requesting copies or leaving simple messages are best arranged with reception.

***Any Concerns?***

We aim to give great service. Please let us know if you are dissatisfied or have some comment that might help us assist you better. Please tell the person dealing with the file of your concerns or dissatisfaction. If this does not resolve your concern, please raise the matter with one of the lawyers, who is not dealing with your file. Things rarely go wrong, but if so, the sooner we know, the sooner we can fix it.

If you are unsure or unclear with the advice given, let the person know. If necessary, we can arrange a second opinion from one of our other lawyers or someone outside of the firm.

### ***Other Experts***

Let us know if you need non-legal advice related to your matter. Comments we make about non-legal matters is on the basis we are only qualified to advise as lawyers. We are not qualified as financiers, accountants, financial planners, land or building surveyors, insurance brokers or valuers. Any expert advice you need on such matters should be from a qualified adviser. If it would assist, we can refer you to advisers we trust and respect. We will give you a number of advisors from which to select. We do not accept liability for the advice or actions of other advisers. We do not seek or accept fees or commissions from any person or product we recommend.

### ***Keeping in Touch***

Let us know if you need an update as to progress with your matter. If you think matters are going too slow, let us know so we can chase the matter or explain the source of delay.

We answer client messages as a priority. Sometimes court and other commitments cause delays. If you leave a message it is often helpful to give details to reception or a secretary. Reception or a secretary may answer the query or get instructions on how to deal with it. Please let us know when you leave a message if there is a time constraint on calling you back. If your call is not answered within your time constraints, please call back and mention the delay so we can make sure the matter is dealt with.

### ***Email/ Fax***

We like to use email and if not available faxes to send written communication quickly and reliably. There is a risk of interception in any form of communication. Electronic communication carries the extra danger of picking up a virus or worm. We use virus checking and firewalls but cannot avoid that risk entirely. So far, our systems have meant we have not had problems.

If you do not wish us to use email or faxes, let us know.

If you do not clear your emails regularly or if your fax location is not secure, ask us to ring before we email or fax.

We usually send attachments to our emails in Adobe PDF format and sometimes in Microsoft Word. Let us know if you need us to send in a special format to read email attachments.

Note our file reference number in the subject line of our emails. Please include this number in any emails you send to have the email attached directly to your electronic file.

### ***Conflicting Interests***

We do not act in contentious matters for more than one side of the dispute. We may be unable to act in contentious matters against persons who have previously been clients of the firm or who are neighbours, friends or relatives of personnel of the firm.

If you are aware of any possible conflict of interest, let us know.

In non-contentious matters, we will give you notice if we act for any other party. Where we act for more than one party, we will stop acting if we determine we are unable to continue with the matter without acting contrary to the interests of a party. We may be prevented from disclosing to a party in conflict the full knowledge we have or give advice, because it is contrary to the interest of another party. In those circumstances, we direct each party to other firms and will not act further in that matter for either.

### ***Privacy***

We will need to discuss your file with others involved in advancing the transaction: such as the other lawyers, banks or the agent. If you have some one assisting you, please confirm their authority to act for you.

### ***Your File***

Let us know if you need a copy of the entire contents of your file documents. We can give you the complete copy of the file documents if you need it. You may need to pay your account including the cost of making copies before we release items from the file.

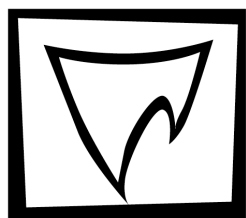
We mainly store your file digitally rather than on paper. Digital storage is safer and more efficient. We store multiple copies including secure off site copies. We archive original documents, deeds and wills in safe custody or by sending them to you. We shred other paper we have archived digitally to protect your confidentiality. If you do not wish such paper destroyed, let us know and we will send it to you to archive.

### ***Office Access***

Our offices are on a single level. Our Hobart office is accessible by lift or stairs. Whilst the lift to our Huonville office remains "in construction", please tell us if the stairs there present a difficulty to you and we will arrange to see you in a ground floor office.

### ***Office Hours***

Our office is open 9.00am to 5.00pm Monday to Friday. The lawyers are often in the office outside those times. Let us know if you need an after hours appointment.



The Law  
Society  
OF TASMANIA

## Legal Costs – Your Right to Know

When you engage a lawyer you must be advised in writing about the following costs issues, unless the lawyer is exempted from doing so in accordance with section 295 of the *Legal Profession Act 2007*:

1. The basis on which legal costs will be calculated, including whether a scale of costs applies to any of the legal costs;
2. Your right to:
  - negotiate a costs agreement with your lawyer;
  - receive a bill from your lawyer;
  - request an itemised bill within 30 days after receipt of a lump sum bill;
  - be notified of any substantial change to anything included in the lawyer's disclosure.
3. An estimate amount of the total legal costs or, if that is not reasonably practicable:
  - a range of estimates of the total legal costs; and
  - an explanation of the major variables that will affect the calculation of those costs.
4. If the matter is a litigious matter, an estimate of the of:
  - the range of costs that may be recovered if you are successful in the litigation; and
  - the range of costs you may be ordered to pay if you are unsuccessful;
5. The details of the intervals (if any) at which you will be billed;
6. The rate of interest (if any) that will be charged on overdue legal costs, whether that rate is a specific rate of interest or is a benchmark rate of interest;
7. Your right to progress reports;
8. The details of the person you may contact to discuss legal costs;
9. The following avenues are open in the event of a dispute in relation to legal costs:
  - Costs Assessment
  - The setting aside of costs agreement
  - Making a complaint to the Legal Profession Board(See the additional fact sheet entitled 'Your Right to Challenge Legal Costs').
10. The law of Tasmania applies to legal costs in relation to the matter but you may –
  - accept or reject any offer for an interstate costs law to apply to your matter;
  - notify your lawyer that you require an interstate costs law to apply to your matter.
11. The name of the lawyer who is primarily to perform the work on your file;
12. Information relating to the fact that some or all of the work on your file is to be performed by someone who is not a lawyer

The above advice in writing is **not** required to be made in particular if the total legal costs excluding disbursements are not likely to exceed \$1500.00(exclusive of GST)

This Fact Sheet is made in satisfaction of regulation 63 of the *Legal Profession Regulations 2008*.

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ABN: 79 607 763 856

## **Your Sale – What to do and when to do it**

*This is a big picture view. Our correspondence will have the detail.*

### **Decision to sell**

- Present property for sale
- Choose agent you respect
- Check Title has no problems
- Check Council has no problems with the property
- Check costs and funds to clear claims on title
- Get Tierney Law to check the contract

### **Sign a contract**

- Get agent to send contract to Tierney Law
- Read initial letter from Tierney Law
- Send instruction form back to Tierney Law

### **After confirmation of contract**

- Authorise your lender to discharge the mortgage and settle
- Sign transfer after receipt and send back to Tierney Law with your confirmation of identification for property transfer
- Arrange insurance, telephone and Hydro to be cancelled from the date of settlement

### **Prepare to move**

- Book removalist
- Get ready to Settle
- Check your lender has documents ready for settlement day
- Advise Tierney Law the availability of keys
- Advise Tierney Law your new contact telephone number

### **On Settlement**

- Move
- Deposit keys as arranged
- You will receive a telephone call soon after settlement advising settlement has proceeded.
- Review report confirming settlement from Tierney Law

## PARTICULARS OF SALE OF REAL ESTATE TASMANIA

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This contract for the sale of real estate comprises:

- these Particulars of Sale; and
- the Standard Conditions of Sale of Real Estate – TAS (Version 2010), as amended or deleted by the Special Clauses; (together, the “Contract”).

The words listed below have the definitions opposite them and have the same meanings in the Standard Conditions of Sale of Real Estate – TAS (Version 2010) (the “Standard Conditions”).

WORDS	DEFINITION
<b>Contract Date</b>	The ..... day of .....20.....
<b>Vendor</b> <i>(The seller of the Property)</i>	<p><i>Name:</i> Tim Tierney</p> <p><i>Address:</i> 1 Thunder Road, Lucky Town, TAS 7008</p> <p><i>Phone:</i> (h) 6331251 (w)</p> <p>(m) (f)</p> <p><i>Email:</i></p>
<b>Vendor’s Solicitor or Conveyancer</b>	<p><i>Firm Name:</i> Tierney Law</p> <p><i>Contact Person:</i> Tim Tierney</p> <p><i>Address:</i> Huon Central 8, 16 Main Road, Huonville</p> <p><i>Phone:</i> (03) 6264 2967 Fax: (03) 6264 2688</p> <p><i>Email:</i> tim@tlaw.com.au</p>
<b>Purchaser</b> <i>(The buyer of the Property)</i>	<p><i>Name:</i> Clarence Clemens</p> <p><i>Address:</i> 4 Howrah Road, Howrah, 7000</p> <p><i>Phone:</i> (h) 6247 7177 (w)</p> <p>(m) (f) 03 6247 6628</p>

<b>WORDS</b>	<b>DEFINITION</b>
	<i>Email:</i> inbox@mcmullens.com.au
<b>Purchaser's Solicitor or Conveyancer</b>	<i>Firm Name:</i> <i>Contact person:</i> Ray Brown <i>Address:</i> DX 110 HOBART TAS  <i>Phone:</i> 6235 5155 <i>Fax:</i> 03 6231 0352  <i>Email:</i> enquiry@pageseager.com.au
<b>Property</b> <i>(if part only, accurately describe part)</i>	The Vendor's property at: 8 Rada Place, Mountville  As described by Title Reference(s) Volume 2222 Folio 1111
<b>Chattels</b>	Floor coverings, Light Fittings, Stove, Window Treatments, Fixed Heating, TV antennae
<b>Sale Price</b> <i>(See cl. 2 of the Standard Conditions)</i>	dollars ()
<b>Chattels Value</b>	The part of the purchase price attributed to the chattels is agreed to be \$5000.00.  Where no value is attributed, the Chattels Value will be their written down value in the Vendor's taxation records for the year ending 30 June before the Completion Date and if the Chattels do not have a written down value, then Chattels Value will be treated as zero.
<b>Deposit</b> <i>(See cl. 2 of the Standard Conditions)</i>	zero dollars (\$ 0.00)
<b>Deposit Holder</b> <i>(See cl. 2 of the Standard Conditions)</i>	Tierney Law

WORDS	DEFINITION
<b>Deposit Payment Time</b> <i>(See cl.2 of the Standard Conditions)</i>	When the Purchaser signs this Contract
<b>GST Treatment</b> <i>(See cl.9 of the Standard Conditions)</i>	The sale is not a taxable supply.
<b>Completion Date</b> <i>(See cl. 3 of the Standard Conditions)</i>	The 1 <sup>st</sup> day of June 2011
<b>Availability</b> <i>(see cl. 3.2.(a) of the Standard Conditions)</i>	On the Completion Date, the Vendor must make available to the Purchaser vacant possession of the Property.
<b>Property Use</b> <i>(See cl. 4.1 of the Standard Conditions)</i>	A residential dwelling.
<b>Special Clauses</b>	The Special Clauses listed below apply to this Contract.



# SPECIAL CLAUSES

**Use the Special Clauses to either or both:**

(a) **amend the Standard Conditions as you require; and**

(b) **add clauses that you wish to include as part of this Contract.**

**If there is insufficient room, use an annexure page and refer to it below.**

**If you do not complete all the details in a Special Clause, it will not apply.**

**If you do not make amendments or add Special Clauses, this Contract includes only the Standard Conditions.**

## Special Clause A

<b>Subject to Finance Clause</b>	<i>If this Contract is subject to finance, complete all details below and the following clause will apply.</i>
----------------------------------	--

It is a condition precedent to the Purchaser’s obligation to complete this Contract, that within the Finance Period, the Financier makes available to the Purchaser a loan of the Finance Amount, on terms currently available in transactions of a similar nature.

The Purchaser is the party benefited by this condition precedent.

<b>Finance Amount</b>	<i>(Insert amount)</i> \$.....
<b>Financier</b>	<i>(Insert name)</i> .....
<b>Finance Period</b>	<i>(Complete)</i> Until the ..... day of .....20..... or <i>(Insert number of days)</i> ..... days.

## Special Clause B

<b>Subject to Sale Clause</b>	<i>If this Contract is subject to the sale of the Purchaser’s Property, complete all details below and the following clause will apply.</i>
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It is a condition precedent to the Purchaser’s obligation to complete this Contract that, within the Selling Period, the Purchaser signs a contract for the sale of the Purchaser’s Property to a person ready, willing and able to perform that contract, at a price acceptable to the Purchaser.

The Purchaser must not offer the Purchaser’s Property for sale for more than the Sale Amount.

The Purchaser is the party benefited by this condition precedent.

<b>Purchaser's Property</b>	<i>(Insert address)</i> ..... ..... .....
<b>Sale Amount</b>	<i>(Insert amount)</i> \$.....
<b>Selling Period</b>	<i>(Complete)</i> Until the ..... day of .....20..... or <i>(Insert number of days)</i> ..... days from .....

**Special Clause C**

<b>Subject to Completion of Sale Clause</b>	<i>If this Contract is subject to the completion of the sale of the Purchaser's Property, complete all details below and the following clause will apply.</i>
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It is a condition precedent to the Purchaser's obligation to complete this Contract, that a sale of the Purchaser's Property is completed on or before the Deadline for Sale.  
The Purchaser is the party benefited by this condition precedent.

<b>Purchaser's Property</b>	<i>(Insert address)</i> ..... ..... .....
<b>Deadline for Sale</b>	<i>(Insert date)</i> The ..... day of .....20..... or <i>(Insert number of days)</i> ..... days from .....

**Special Clause D**

<b>Subject to Building Inspection Clause</b>	<i>If this Contract is subject to a building inspection, complete all details below and the following clause will apply.</i>
--	--

The Purchaser may have reasonable access to the Property during the Building Inspection Period to inspect buildings personally or by agents, at the Purchaser's cost.

If, strictly within the Building Inspection Period, the Purchaser serves on the Vendor:

- a copy of a building report by a qualified engineer, architect, building surveyor or building inspector, holding professional indemnity cover for that work, which certifies there is one or more building defects, together likely to cost more than one per cent of the sale price to remedy; and
- notice that the Purchaser terminates the contract in response to that report,

then the parties' obligations under this Contract end and the Purchaser is entitled to a refund of the Deposit, but no other compensation.

<b>Building Inspection Period</b>	<p>(Complete)      Until the ..... day of .....20.....</p> <p>or</p> <p>(Insert number of days) ..... days from .....</p>
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**Special Clause E**

<b>The Vendor may shorten the period for confirmation</b>	<p>May the Vendor shorten the period for the Purchaser to confirm or waive all the Special Clauses?</p> <p><input type="checkbox"/> Yes                                      <input type="checkbox"/> No</p> <p>If "Yes", the following clause will apply.</p>
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By giving notice to the Purchaser under clause 15 of the Standard Conditions of Sale of Real Estate, the Vendor may shorten the period specified for satisfying the conditions in the Special Clauses to two days after the day on which that notice is given.

**Add any additional Special Clauses below, continuing the letters to identify the Special Clauses (i.e. the next Special Clause, if added, would be Special Clause F.)**

**Special Clause F**

	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
--	--

**Special Clause G**

	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
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(Complete if applicable) The attached ..... annexure page(s) are part of this Contract.

**Warning:** Each party should consider protecting their respective interests in this Property by insurance.

Signed by the Vendor(s) in the presence of: )  
)  
)  
Signature  
Signature

.....  
Signature of witness

.....  
Name of witness (block letters)

.....  
Address of witness

.....  
Occupation

Signed by the Purchaser(s) in the presence of: )  
)  
)  
Signature  
Signature

.....  
Signature of witness

.....  
Name of witness (block letters)

.....  
Address of witness

.....  
Occupation



## Instructions to draft Contract

To Tierney Law

Tick one

- Huonville -Level 1, 18 Elizabeth St, Hobart 7000, GPO Box 16, Hobart 7001 Ph:  
(03) 6220 2777
- Hobart- Suite 8, 16 Main Rd, Huonville 7109, PO Box 239, Huonville 7109 Ph:  
(03) 6264 2967

I ..... your full name  
of ..... your address  
request Tierney Law to draft a contract for the sale of my property at  
..... address of property sold  
..... title reference ( *include a copy of the title and plan of the property if you have it*)

Together with .....  
..... a description of the household goods to be included e.g . *fixed floor coverings, light fittings, curtains and blinds, electrical items, TV antennae*

To ..... *Purchaser's Full Name*  
of ..... *your address*  
whose lawyer is ..... *Purchaser's Lawyer's Name*  
of .....*Purchaser's Lawyer's Address*

for the sale price of .....*the purchase price*;

with .....*the amount of the deposit*,

(this is usually ten percent but it is open for negotiation);

we want to settle .....*the date you want to settle*;

The Contract needs to be subject to :

- the purchaser organise finance from .....(*bank*) for  
\$.....loan amount
  - sell their house at ..... *address of purchaser's  
property sold* which is to be listed for more than\$.....maximum  
asking price of purchaser's property to be sold; any
  - other matters .....
- .....