

10 essential things you need to do after buying a property

The single most important thing you must do after exchanging a contract

1. You must sign your loan documents and return them to your bank immediately after you have received them.

After exchange of the contract your lawyer will write to your bank to provide them with everything they need to prepare your loan documents.

Your bank will then prepare your loan documents and send them to you, your solicitor or mortgage broker. This could take up to 7 days.

It is therefore important you immediately sign them and return them to your bank. Otherwise settlement will be delayed as your bank may take up to a further 7 days to check them before they are ready to settle. You will then be liable to pay interest for the delay to the vendor.

What you must do between exchange and settlement

2. Arrange your insurances.

You need to organise insurance for the property to start on date of exchange of the contract. Your insurance policy must also state your bank as an interested party. Your loan documents will state the amount for the minimum building insurance your policy must cover. You must also give a copy of this policy to your bank, the sooner the better.

For a strata property, you require contents insurance only as the owners corporation will have insurance in place for the building itself.

If you intend to rent out the property, we also recommend that you obtain landlord protection insurance.

3. Connect your services.

You need to organise the connection of the services for the property to start on the settlement date. Services include such things as electricity, telephone, gas, foxtel and internet. Sydney Water and Council will be advised of your purchase by your solicitor.

4. Book final inspection of property with the real estate agent

Contact the vendor's real estate agent to book a final inspection of the property. It is best to do this on the morning of the settlement date.

5. Arrange removalist

To be on the safe side it is best that you have your removalist start no earlier than the day after settlement as settlements can sometimes be delayed.

6. Ensure any money required from you for settlement is available

Where you need to contribute some of your own funds to your purchase at settlement make sure that it is able to be drawn as a bank cheque on 24 hours notice.

3 things you must do just before settlement

7. Final inspection on morning of settlement

The ideal time to do a final inspection is the morning of settlement as it is likely that at that time the property would be either partly or fully vacant so that you can check the property properly.

Generally the vendor must give you the property in the condition it was in at the time of exchanging the contract. It is your responsibility to check this before you settle. In particular the vendor cannot leave behind rubbish or personal items on the property and must remove these before settlement.

You must also check that you have a full set of keys for the property as well as any remote controls or security passes.

If there are problems with the property, a claim for compensation may be possible depending on the circumstances.

8. Call your solicitor with the result of your property inspection

If there are any problems with your inspection you will need to tell your solicitor who will then advise you of your options.

In any event you will also need to authorise your solicitor to settle.

9. Deliver a Bank cheque to your solicitor

Where you need to provide some of your funds a settlement, you will be advised of cheque details by your solicitor usually the day before settlement.

You will then need to attend your bank and draw any required bank cheques. Bank cheques are required at settlement. Personal cheques and Building Society cheques will not be accepted at settlement.

Once you have drawn the required bank cheques, you will then need to deliver them to your solicitor at least 4 hours before the settlement.

Please note that you do not need to personally attend settlement as your solicitor will do this on your behalf.

So you have settled, what do you do next?

10. Collect the keys for your property and move in.

Settlement usually occurs between 2pm to 3.30pm and can take up to 1 hour to complete.

Your solicitor will call you once your purchase has settled to let you know. You can then go to the vendor's real estate agent's office to collect the keys for the property.

Normally the agent will give you the front door key and the rest of the keys for the property will be found in the kitchen drawer.