



GUIDE TO BUYING A PROPERTY

Checking the title

Are there any covenants/caveats on the title? A covenant is a restriction on the property and may affect the sale or purchase. A caveat is a warning there is another party with an interest in the property. Both of these items will require further investigation.

Are there any Section 173 Agreements? A Section 173 is an agreement between the landowner and another party for something to be done. Common agreements are for landscaping and limiting subdivisions.

Are there any registered leases? Until recently, commercial property leases were registered with the Land Titles Office and noted on the property title. Leases may also be registered by caveat.

Is the land within a Growth Areas Infrastructure Contribution area? If there is a GAIC notice on the title, refer to Synod Legal for advice as to whether GAIC is payable on the transaction.

Checking the plan of subdivision

Are there any easements affecting the land? An easement grants a right to another party to do something on your land - for example, allowing a neighbour to cross your land to access theirs, or easements for services, such as electricity, sewerage and water.

Are there any services shared with a neighbouring property? There may be power lines crossing the property that service a neighbour or a shared substation or shared sewer lines.

Is a survey required to confirm the title boundaries? This may have been completed by the vendor. If not, it is a good idea to obtain a building survey.

Checking the zoning and overlays

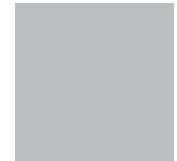
What is the property zoned? The zoning will affect how the premises can be used or developed. It is important to ensure the property is appropriately zoned for the intended use. If it is not, a planning permit may be required to allow the use or to rezone the property. A planning permit can take up to three months to process and a rezone can take up to two years.

Are there any overlays that may affect the property, for example a public acquisition overlay? Overlays may affect how the property can be used or developed or even renovated. Public Acquisition Overlays are a notice the government intends to compulsorily acquire part of the land.

Vacant possession

Is the property leased? If yes, is there a current lease on the property? If the property is leased and the lease is within the fixed term, the lease will transfer with the sale, meaning the property will be purchased with a tenant. The tenant cannot be asked to leave until the end of the fixed term of the lease. If there is a tenant but no current lease, a notice of termination can be issued to allow for the property to be vacant on settlement.

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Checking the contract

The agent or vendor will provide you with a Contract of Sale and a Section 32 vendor's statement. These will need to be checked by Synod Legal.

Build and pest reports

It is important to ensure the buildings you are buying are structurally sound, have been built in accordance with the relevant permits and are free from termites and other pests. To do this you should arrange for a building and pest inspection.

Property valuation or appraisal

Property valuations and appraisals will assist in determining the correct price for a property. A valuation is carried out by registered valuer and is a sworn document - therefore this can be relied upon as an accurate representation of the value. An appraisal is an estimate of the value usually carried out by a real estate agent. It is an estimate only and cannot be relied upon for accuracy.

Residential property

Is the property to be used as a manse? If the property is to be used as accommodation within the UCA it is important to investigate the standing of any lease agreements. It is also important to ensure the property complies with Synod manse regulations.

Is the property currently tenanted? If yes, is there a current lease? Has the Bond been lodged with the Residential Tenancies Bond

Authority? Is the property a unit or townhouse? If so, is there an Owners Corporation? The OC bylaws should be reviewed to determine what is covered by the OC and what is the responsibility of the owner? If the property is strata title, a strata search should be carried out to ensure there are no pending or current issues, such as outstanding warranty claims.

Commercial premises

Is the property an investment or is it to be used by the congregation? If the premises are to be used by the congregation, the status of any tenancy will need to be checked. If the premises are leased, the lease will need to be reviewed to see if there is an early termination clause.

Is the property tenanted? If the premises are to be used as in investment, is there an existing tenant? If so, are they currently under a lease? Is there a managing agent for the lease? If so, do you want to keep them?

Is there a security deposit or bank guarantee? It is essential any bank guarantee or deposit be transferred on settlement.

Is a transfer of lease required? While most leases will transfer on assignment, there may be a requirement within the lease for Deed of Transfer to be completed on the sale of the premises. Synod Legal can advise if this is necessary.

What insurance is required? Can you arrange this before settlement? There are various insurance policies required under a commercial lease that may not be covered by the Synod's Insurance Policy. This should be verified with the Synod Insurance department before settlement.



Vacant land

Is the land within a Growth Areas Infrastructure Contribution? Are there any existing services to the land? If there are no existing services, the cost of installing services will need to be factored into the development cost. There may be a Section 173 on the title detailing how the services are to be installed.

Are there any services shared with a neighbouring property? Does the land require subdivision? If yes, who pays for the planning permits, surveys and installation of services?

Environmental/ contamination audits

An environmental audit should be conducted to check the land for any contamination. When buying land, the liability for contamination passes to the purchaser and any contamination found may need to be cleaned up. A desktop audit is usually sufficient to test the likelihood of contamination. If it is found that contamination may be present, a full audit with soil samples will be required.

Stamp Duty

Purchases may trigger a stamp duty liability. For more information, go to the [State Revenue Office website](#).

Contact

For more information, contact Property Services on **03 9251 5949** or at property@victas.uca.org.au

