

### Welcome to Statewide Conveyancing

Thank you for choosing us to do your conveyancing. We appreciate the opportunity to act for you and trust our service will live up to your expectations.

#### Queensland Building Services Authority

If the dwelling or any other improvements on the property were constructed within the last six years, a search can be conducted at the Queensland Building Services Authority to reveal whether those improvements were built by a registered builder and insured against structural and other defects.

Unless we hear from you we will assume you do not wish us to conduct this search on your behalf.

If you are aware or become aware during the course of the transaction that the dwelling was built by an “owner builder” and is less than six years old, please contact us. A house and any improvements on the property constructed by an owner builder and not a registered builder would not be insured under the Queensland Building Services Authority Act. Failure to disclose this to you before you signed the contract is a breach of the Queensland Building Services Authority Act.

#### Survey

Pursuant to the terms of the contract, you are entitled to conduct a survey of the land to ascertain the boundaries and areas of the land and to establish the location of structures, which are supposed to be on the land or on adjoining land. If there is any immaterial error in the boundaries or area or any immaterial encroachment you are not entitled to terminate the contract but may be

entitled to compensation. If there is a material error or encroachment, you are entitled to elect (on or before the date for completion) to terminate the contract or to complete the contract with compensation. Should you wish to have a surveyor check the boundaries or the area of the land or the location of improvements, would you please contact us as soon as possible.

#### Settlement notices

Queensland now has a titles system which does not require Certificates of Title. In some situations, to protect your interests, we lodge a Settlement Notice on the title of the property you are purchasing to ensure that no other transactions occur on the title prior to your transfer being registered.

#### Investment property

If you are purchasing the property for investment purposes, you may be able to claim certain expenses and depreciation in relation to your property for taxation purposes. We recommend that you discuss this with your accountant.

#### Buying as trustee of a trust

If you are buying the property as trustee of a trust, in Queensland you are not obliged to disclose the existence of the trust on the register maintained by the Department of Natural Resources. However, the benefit of having the trust disclosed on the register is that it removes beyond doubt the fact that the trustee has purchased the land and holds the land as trustee of the trust.

As a general rule, when a trustee incurs liability on behalf of the trust, the trustee is liable both as trustee and in its own right unless it is expressly

## Important issues...

#### **Buying a house/land...**

- Queensland Building Services Authority
- Survey

- Settlement notices
- Investment property
- Buying as trustee of a trust
- Vacant land
- Electricity, telephone and gas

#### **Buying a unit...**

- Body corporate
- Insurance
- Terms of contract
- Searches

stated that the trustee is incurring the liability as trustee only and does not accept personal liability.

### **Vacant land**

If you are purchasing vacant land with the intention of building on the land in the near future, you will require a building contract. We strongly recommend that you seek legal advice prior to signing any such building contract.

### **The following applies if you are buying a home unit...**

#### **Electricity, telephone and gas**

Approximately one week before settlement we suggest you contact the Electricity Board, Gas Board (if applicable) and Telstra to arrange to have these services transferred into your name. Should the owners arrange to have these services disconnected prior to you notifying these authorities you may have to pay reconnection fees.

#### **Buying a unit**

When you buy a unit you are buying a "lot" in what is known as a "Community Titles Scheme". This is a general description for a building comprising individual units (a building format plan) or a complex of individual or joined town houses (a standard format plan).

In all community titles schemes there is an area of land or building which is "common property". The common property is owned jointly by all the owners of the lots. The body which is made up of all the owners is known as the "body corporate". The body corporate makes decisions about the common property and other matters by holding meetings. A committee of the body corporate is usually elected to enable it to make day to day decisions regarding administrative matters relating to the body corporate. In larger schemes the body corporate

may appoint a manager to carry out its secretarial and treasurer functions.

Owners of the units must regularly contribute money to the body corporate to meet the costs of maintaining the common property which may include gardens and lawns, pools, security lighting and public liability insurance.

Each owner must contribute a share equal to the proportion of the value of each owner's lot entitlements set out in the contribution schedule. This amount is specified in the Disclosure Statement provided by the seller upon execution of the contract.

Each individual unit holder is at risk if the body corporate does not have sufficient funds to pay for the costs of maintaining the common property and effecting the insurances, (particularly public liability insurance) or meeting its liabilities.

For example, if the public liability insurance is insufficient, as a unit owner you could become personally liable for any amount awarded against the body corporate for someone injured on the common property, which is greater than insurance taken out.

#### **Insurance**

Even though the body corporate insures the building and common property, you should take out insurance to cover your fixtures and fittings within the unit and your public liability.

#### **Searches**

When purchasing a unit we recommend that you ask us to conduct a full inspection of the body corporate records. This includes an inspection of all minutes of body corporate meetings since the building was constructed and often reveals details of problems the body corporate has had with the building or with particular owners.

*[www.swc.net.au](http://www.swc.net.au)*

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