

Settlement – a buyer's guide

What is 'settlement'?

Settlement is the legal process whereby you take legal possession of the property you bought when you signed the contract. Buyers and sellers typically agree on the length of the settlement period before the contract is signed, however it is generally between 30 and 90 days.

What do I need to do to get ready for settlement?

There are a number of things that need to happen before settlement day (when ownership officially changes hands). Hiring a good settlement agent (solicitor or conveyancer) is essential for ensuring a smooth settlement period, as they can guide you through each step of the settlement process.

Before settlement day, you should:

- Contact your utility providers (electricity/gas, phone, internet, water) several weeks before so they can ensure your new property is connected from the settlement date.
- Make sure you arrange Home and Contents insurance before responsibility transfers to you. Depending on which state you live in, you become responsible for damage to the property either on settlement day (VIC and NSW) or from the signing of the contract.
- Inspect the property the day before to ensure it is in the same condition as expected. Unless otherwise arranged, you can't move into the property before settlement is completed.

What should your solicitor/conveyancer do before settlement?

They should:

- Send you the settlement statement (this shows the funds required for settlement).
- Adjust payment of council rates, water and sewer rates between vendor and purchaser as at the date of settlement.
- Obtain a Certificate of Currency (for strata properties only)
- Notify the Land and Property Information Office (or Land Titles Office) who will notify Council and the Valuer General about the change of ownership. If you have to pay registration to the Land Titles Office, they should also arrange a credit from the vendor.

What happens on settlement day?

On settlement day, your solicitor/conveyancer will meet with your lender and the seller's representatives to exchange documents. They also organise for the balance (the price of the property less the deposit you paid when you signed the contract) to be paid to the seller. You don't need to attend the settlement.

Your lender registers the mortgage against the title of the new property and provides the funds to purchase the property. Your solicitor/conveyancer will ensure any existing mortgage on the title to the vendor is discharged, any third party who has rights over the property is removed, all clauses on the sales contract are fulfilled and the transfer of land and mortgage is registered with the title office in your state or territory.

What if things go wrong?

Your solicitor or conveyancer can usually help you and guide you in the right direction if something is amiss. Otherwise, contact your Smartline Mortgage adviser for information and assistance.

Get personalised advice

Everyone's circumstances are unique. Speak with your Smartline Adviser for more information and to get personalised advice that matches your requirements.

