

TIPS FOR SETTLEMENT – WHY TUESDAYS ARE BETTER THAN FRIDAYS AND OTHER ADVICE

THE most common day to settle a property is Friday, chosen by purchasers in order to move into their new home over the weekend – however, the REIQ advises that purchasers may want to consider a either a settlement in the early half of the week.

Settlement is the day when the property ownership passes from the seller to you and the day when the balance of funds is due in full. Settlement is when the purchaser receives the title to the property. It is also the last day the seller is responsible for outgoings, such as rates, water and sewage. The purchaser takes over the outgoings after settlement.

Settlement is also the day when you can collect the keys from your agent. As a risk minimisation strategy you may want to consider changing the locks.

REIQ Top 5 Settlement Tips:

- **Hiccups:** The number-one reason that it's a good idea to schedule settlement early is to build in some time to manage any hiccups that can arise in the lead-up to settlement and still achieve the same move-in date on the Saturday. There is a broad range of reasons why settlement may not take place as scheduled, with the most common being human error or simple postal delays. In fact, some research suggests up to 20 per cent of settlements don't occur on the scheduled day due to an error on the forms – a signature is missing, someone's name is misspelled, or some other detail is incorrect.
- **Cheaper Removalists:** Another excellent reason you may want to schedule your settlement on Monday to Wednesday and potentially move during the week is that often removalists will charge cheaper fees. Saturday and Sunday are the biggest days for movers, so they tend to use premium pricing structures.
- **Pre-settlement inspection:** Prior to settlement is scheduled to take place it is a good idea for the buyer to conduct a pre-settlement inspection. If the contract doesn't contain a pre-inspection term then it's a good idea to request it. This will allow you to ensure everything in the property is as described in the contract. If there is an issue, having the pre-settlement inspection on, say a Monday, with settlement scheduled for a Tuesday, gives all parties a few days before the weekend to negotiate an outcome. This pre-settlement inspection won't allow you to change your mind on any elements of the contract, it will simply allow you to ensure that the property is being handed over as per the negotiated terms. Fittings

and fixtures are the most obvious elements to check here, with dishwashers and curtain rails being commonly overlooked.

- **Insurance:** Don't make the mistake of thinking that insurance is only required from the time you become the owner. Depending on the terms of the contract you may need to get insurance for the property as soon as you have signed the contract or shortly thereafter. The REIQ standard residential contract states that the property is at the buyer's risk from 5pm on the first business day after the contract date. This gives the buyer an adequate opportunity to obtain insurance.
- **Faster (mid-week) Conveyancing:** The busiest days for settlements are Thursdays and Fridays and some firms can be doing dozens of settlements in one day. Reduce the risk of being impacted by the domino effect (where if something goes wrong in someone else's settlement yours may not happen on time) by choosing a less busy day. You should also consider choosing a solicitor who is registered for electronic conveyancing. Queensland is now a state that allows fully electronic conveyancing. If you would like your property purchase to be conducted electronically then both the buyer's solicitor and the seller's solicitor must be registered for electronic conveyancing.

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