

What happens after your offer to purchase is accepted?

There's nothing quite like that moment you hear your offer to purchase has been accepted, but once the initial thrill wears off, it can be a little daunting looking ahead to the complexities of the registration and transfer process.

All kinds of different attorneys and representatives are suddenly involved, and it can feel overwhelming, especially for the first time buyer.

"It is a complicated process, admits Tony Clarke, Managing Director of the Rawson Property Group, but it's also one that happens all the time, and is very standardised and streamlined these days. All the professionals involved are highly qualified, and with the help of a good real estate company, it really shouldn't be too stressful a time for the buyer or the seller."

"Unless it's a cash purchase, the first thing to be done after an offer to purchase is accepted is for the buyer to finalise their bond. "Most offer to purchase agreements are subject to bond approval, so it's a vital first step to get the ball rolling, says Clarke. The buyer will need to supply their chosen bank - or bond originator - with a copy of the signed agreement, and the bank will then arrange a property valuation and credit check before giving their approval in the form of a letter of grant."

Once the bond is approved, the buyer and seller will both need to sign the Deed of Sale, facilitated by the seller's real estate agent, and the buyer will need to pay any agreed-upon deposit. After that, it's time to start nominating and notifying the necessary attorneys.'

"The seller nominates the Transfer Attorney, the seller's bank nominates the Cancellation Attorney, and the buyer's bank nominates the Registration Attorney, explains Clarke. They all set to work simultaneously on their designated parts of the transfer and registration process, assisted where necessary by the seller's real estate agent to keep things moving smoothly."

The Transfer Attorney begins by collecting supporting documents from the buyer and the seller, including rates clearance certificates from the municipality, and the Title Deed and bond cancellation figures for the seller provided by the Cancellation Attorney. The Transfer Attorney will then prepare a draft deed of transfer to supply to the buyer's Registration Attorney, along with a request for guarantees.

The draft deed of transfer is used by the Registration Attorney to draw up the buyer's bond documentation. The buyer will need to sign the documentation and pay the associated fees before the bond can be registered at the deeds office. Around the same time, the Transfer Attorney should have the transfer papers ready for both the buyer and seller to sign. Once this has taken place, the buyer will need to pay the transfer costs as well.

"Meanwhile, in the background, the Cancellation Attorney will be handling the process of cancelling the seller's existing bond on the property, says Clarke, assuming, of course, that they have one, he adds. All three sets of final documentation - the transfer documents, the new bond information, and the title deed and bond cancellation information - will then be lodged with the Deeds Office, to be registered simultaneously."

"At the Deeds Office, all the documents are thoroughly checked and the registration transaction is prepared for execution. "Transfer normally takes place on a prearranged date specified in the original agreement between the buyer and seller, says Clarke. On that date, the buyer's bank pays out the bond, the seller's bond cancellation is settled, and the real estate agent is paid their commission. Anything left over goes to the seller as profit, and the buyer takes official ownership of the property."

"The whole process can take up to three months, says Clarke, but there are very few steps in which the buyer and seller are actively involved. As long as you're working with a good real estate agent and a trustworthy legal team, you should be able to sit back and relax while they handle the intricacies as quickly and smoothly as possible. It might look complicated from the outside, but done right, it should also be relatively pain free."

For estimated bond and transfer costs, try the Rawson Property Group's online bond repayment calculator, or contact your nearest Rawson Property Group franchise for more information on the transfer and registration process. For bond enquiries and information, contact Rawson Finance, the in-house bond originator for the Rawson Property Group.

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