

Buying CBD Property?? What you need to know! ... Part 2

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Buying a CBD apartment is so much more than inspecting and signing on the dotted line! There are a range of important issues potential CBD buyers need to consider - whether you're an owner occupier or investor. In Part 2 of this series we look at what happens after signing the contract for a Brisbane CBD apartment and the costs involved.

- **Cooling off period** – You have 5 working days after the contract date in which you can terminate the contract. The penalty for doing this is 0.25% of the purchase price unless the contract is subject to other conditions. It is not possible to terminate the contract after this period without losing the deposit and facing other possible penalties.
- **Deposit** – On contract signing a deposit or partial deposit will normally be given to the real estate agent who has prepared the contract. All deposit monies will be held in the deposit holder's (usually the agent's) trust account until the property has settled. The deposit(s) must be paid on the dates specified. If you don't then you are in breach of the contract.
- **Contract costs** – In Queensland there are generally NO extra costs involved with drawing up a contract as usually the Real Estate agent prepares it and not legal professionals (as is the case in other states in Australia).
- **Additional costs** – There are a range of legal, insurance and other fees and charges that are involved with buying a property e.g. Transfer (Stamp) Duty, Government registration fees, and Conveyancing costs. We give a short overview and example on the next page.
- **Contents insurance** - Queensland law requires the buyer to provide contents insurance for the property. This is applicable from the time the contract is signed. Even if this clause of the contract - Clause 8.1 Risk of the standard REIQ Contract - is deleted it is still valid by law.
- **Furnishings** – If you buy an 'unfurnished' apartment then standard inclusions are dishwasher, dryer and curtains. Other white goods, such as washing machine and fridge, are not included. If you are buying a unit which is 'furnished' then there should be an inventory of furnishings included in the contract.
- **First Homebuyers** – Various grants and concessions are available to help make owning your first home possible. For instance, the First Homeowner Grant of \$7,000 is available for properties under \$750K, and Transfer (Stamp) Duty concessions are also given. Visit the following government website for information and application forms www.osr.qld.gov.au/client-group/first-home-buyer/index.shtml .
- **Foreign Buyers** – Check if you need approval from the Foreign Investment Review Board to buy a property in Australia at www.firb.gov.au .
- **Inform the Body Corporate** – After settlement the Body Corporate must be informed of the change of ownership of the apartment. It's advisable to do this as soon as possible so you don't miss out on possible discounted Body Corporate Levies. The buyer's solicitor usually informs the Body Corporate, but it's a good idea to check that this has been done.

High-profile Properties

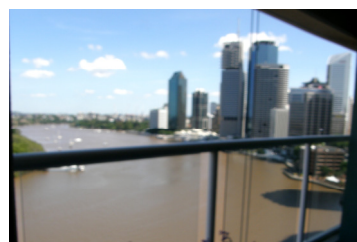
Brisbane CBD's best selection of fabulous apartments ... our **TOP 3 of the month** ...



Parklands 7 Parkland Blvd
196sqm 3bed 2bath car **\$719K**
Rare courtyard residence!



Felix 26 Felix St
FF 2bed 1bath car **\$454K**
Mid-high level; Top buy!



River Place 82 Boundary St
Direct Riverfront; Views! **\$739K**
Huge 110sqm 2bed 2bath car



Hannah Schuhmann
Principal

... and many more @ www.hsbrisbaneproperty.com.au

Buying a Brisbane CBD Apartment

Quick Costs Guide

Contents Insurance

- Must be in place from when the contract is signed

Legal Costs (and Searches)

- Depends on the property, price, complexity of the contract (e.g. special conditions), and possible delays with settlement
- Includes various Searches

Mortgage / Bank Fees

- Government Registration fees (Mortgage Registration Fee, Transfer Fee)
- Other mortgage/bank fees vary, incl. valuation

Transfer Duty (formerly Stamp Duty)

- To be paid prior to settlement
- Calculated on a rising scale
- First Homebuyers exempt for property \$500K or less
- Concessions possibly being reintroduced in mid-2012
- Refer to the Office of State Revenue www.osr.qld.gov.au



Land Tax

- Depends on the taxable value of all land owned (incl. other properties) and whether the buyer is a resident or not
- Check with your accountant whether you will have to pay Land Tax
- Refer to the Office of State Revenue www.osr.qld.gov.au

Depreciation Schedule

- Essential for all investment property buyers and is required for tax purposes.

Other settlement costs

- Such as adjusted Body Corporate Levies, Council Rates, Water, Electricity ...



- Example -

\$500,000 Brisbane CBD apartment

	First Homebuyer	Owner Occupier / Investor
Purchase Price	\$500,000	\$500,000
Contents Insurance	\$ 400*	\$ 400*
Legal Costs (incl. Searches)	\$ 1,100*	\$ 1,100*
Mortgage/Banks fees	\$ 1,800*^	\$ 1,800*^
Transfer (Stamp) Duty	\$ -	\$ 15,525
Land Tax	\$ **	\$ **
(Depreciation Schedule - for investors)		\$ 600*
Total Cost	\$503,300	\$518,825 / \$519,425

* All figures give a general indication and are, in no way, to be interpreted as exact costs associated with the purchase of your property. Please contact your solicitor, insurer & bank for exact associated costs.

^ Includes Government fees: Mortgage Registration Fee \$132.50 and Transfer Fee \$1,025.30

** Depends on your individual situation. Check with your accountant if and how much you would need to pay.