

The process of buying and selling property in Victoria is similar to the process in New South Wales. However, there are some requirements specific to Victorian conveyancing.

This article outlines the standard process for conveyancing in Victoria, and addresses the implementation of e-conveyancing which has made it easier for parties to engage in property matters and for representatives to deal with matters interstate.



A. E-CONVEYANCING

From 1 August 2019, all Victorian land instruments are to be lodged electronically (where available). E-conveyancing has already been compulsory for lodgment of certain instruments including transfers, mortgages and caveats since 1 October 2018 (with some exceptions, for example if the document was signed before 1 October 2018).

83% of lodgments through Land Use Victoria (LUV) were completed electronically as at October 2018, and this figure is expected to increase. The aim is for 100% of lodgments to be completed electronically; as of 1 August 2019, all available conveyancing transactions in PEXA would have moved online.

E-conveyancing allows for a smoother and efficient process. Registration of titles is generally faster than paper settlements, and during the actual settlement, parties do not need to do anything. This saves time and costs associated with having to attend settlement physically (ie from travelling and waiting).

Additionally, as PEXA (electronic conveyancing platform) is used Australia-wide, it is easy for lawyers to act in interstate matters.

You may wish to read our relevant legal article on [e-Conveyancing](#) for further information.

B. BEFORE SIGNING THE CONTRACT

There are some general steps that should be taken by both the purchaser and the vendor before signing a Contract of Sale of Real Estate.

The vendor's lawyer would generally prepare the Contract with the terms as discussed or agreed with the vendor and the purchaser (if one has been identified already).

A purchaser should always check the Contract carefully and obtain advice on it from a lawyer, particularly in relation to any pertinent special conditions. A purchaser would also receive a Section 32 (Vendor's) Statement, which should be checked carefully for any disclosures that may affect them or the property.

A **Section 32 Statement** (or a 'Vendor's Statement'), based on s32 of the *Sale of Land Act 1962* (Vic) outlines matters and attaches documents regarding relevant disclosures that must be made to purchasers; for example, financial matters, mortgages or other charges on the property, outstanding debts, insurance details, land use, building permits and anything else that may affect a purchaser. The Section 32 Statement also includes the personal details of the vendor.

A **Section 27 Statement** (an ‘Early Release of Deposit Authority’) may also be provided in property transactions. This Statement is based on s27 of the *Sale of Land Act 1962* (Vic) and allows a vendor to obtain the deposit (generally held by the vendor’s real estate agent or lawyer) before settlement. While the deposit is normally released to the vendor along with the remaining funds at settlement, a Section 27 Statement may be provided in circumstances where the vendor needs funds to purchase another property at the same time, or if they wish to invest the deposit. The purchaser would only consent if they are certain they will proceed with the purchase – otherwise, the vendor may be entitled to keep the deposit if the purchaser decides not to proceed after signing the Contract.

If the purchaser is satisfied with all of the disclosures and both parties agree to the terms of the Contract, the parties would proceed to sign one copy each, then exchange their counterpart (signed) Contract with the other party.

C. AFTER SIGNING THE CONTRACT

Once the Contract has been executed (signed) by both parties and exchanged, it becomes binding.

If there is a mortgage on the property, the Vendor would need to organise for a discharge of mortgage to be produced by settlement.

If the purchaser is obtaining a loan for this property, they should in turn organise with their lender to have the funds ready by settlement.

The lawyers of the purchaser and vendor respectively would liaise to confirm how the funds are to be distributed at settlement (including adjustments for council, water and/or strata fees).

The PEXA workspace would be updated accordingly with details of the settlement time and date; preparation of electronic documents (including the Transfer); and distribution of funds.

D. SETTLEMENT

Generally, settlement takes place 30 to 90 days after the Contracts have been signed. Parties may agree to settle earlier or later than this.

If settlement is taking place through PEXA (as most settlements now would), there is nothing to do during the actual settlement time – the system will automatically lodge the electronic documents with Land Use Victoria and distribute funds to the relevant parties. Earlier that day, lawyers would electronically sign the documents, effectively finalising them for settlement.

Purchasers would also have to pay land transfer duty (previously known as stamp duty) at either a general rate (for all types of property) or at a concessional rate (if you will be using the property as your principal residence), based on the purchase price or market value of the property. Land transfer duty is generally paid at settlement to the State Revenue Office Victoria.

An electronic Notice of Disposition (NOD) (referred to as a Notice of Sale in NSW) would be forwarded to the rating authorities and owners corporation to notify them of the sale.

For more information, see our legal articles on:

- [New South Wales Law and Victorian Law in the Sale and Purchase of Residential Properties](#); and
- [Purchasing Residential Properties in New South Wales](#) (outlines the general steps in conveyancing, which are mostly the same for Victoria).

Comasters has jurisdiction to act for conveyancing matters in Victoria, and can assist Victorian clients with the sale and purchase of property.

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