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Patience is the key to purchase

GREG NASH

BUYING off the plan can be a waiting game, especially when purchasing an apartment.

It's not unusual to wait more than two years for the development to be approved, built and fitted out.

While most people assume you can move in once construction is complete, that's certainly not the case.

Buying an apartment off the plan means you are essentially buying into an absent owners corporation.

At the exchange stage, you will have only received an estimate of the budget and your contribution to fees. It's not until after construction finishes that these can be officially set, and even before then, there are various procedures the developer needs to complete.

For starters, the subdivision plan needs to be registered. This allows legal titles to be created for each lot, so buyers have something to settle their purchase on.

The registration process can take anywhere from 14 days up to six weeks, with some buyers waiting even longer. At the same time, the owners corporation is officially formed and a manager is appointed.

Owners corporation certificates can then be passed on to solicitors or conveyancers — these are also required for settlement. The owners corporation manager will source quotes for insurance, and arrange cover for the building.

When a new development forms an owners corporation, the only member is the developer.

That means any decisions, such as what by-laws to include and which contractors to engage, will be made solely by the developer.

Despite the one-man band, a meeting needs to be held — complete with minutes — which formalises the budget and fees for the owners corporation.

Then comes the long-awaited settlement, after which you can move in. You will likely receive a settlement pack from the developer, which will detail how you can inspect and report faults or possible defects.

The process can feel long, but buying off the plan has benefits, and the wait is usually worth it.

Greg Nash is PICA Group chief executive, Australia's leading property services company.



It can take several years after buying off the plan for settlement — and the move into your new residence — arrives.

WHAT HAPPENS BEFORE YOU MOVE IN?



- Plan subdivision is registered, allowing legal titles to be created for each lot
- First meeting of the owners corporation is held and a manager is appointed
- Manager will arrange insurance cover for the building
- Budgets and fees are officially set
- Owners corporation certificates are issued and passed onto solicitors or conveyancers
- Settlement takes place and you can move into your new residence



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