WILLING

A guide to purchasing off the plan

Your guide to buying an apartment

At Willing our reputation for delivering high quality apartments is second to none. For more than a decade we have developed an exceptional portfolio of premium residences in highly desirable neighbourhoods, with a focus on refined, elegant design, traditional workmanship and compelling value.

Our highly focused approach to every project ensures a bespoke outcome - combining hands-on experience with a dedication to enhancing the way people live and the neighbourhoods they choose to live in.

This guide is intended to help you navigate the transition to apartment ownership and provide the knowledge you need to embark on this exciting new journey.

We look forward to supporting you on the journey to apartment ownership and strive to make the transition as smooth as possible.

Buying off the plan

What is off-the-plan?

Essentially the property is not yet built or is in the process of being built but is not yet complete.

Why buy off-the-plan?

- The best price in today's market with only a 10% deposit.
- Today's price for tomorrow's equity - an off-the-plan purchase means you can lock in the ownership of a property, without having to settle for an extended period of time. Capital growth can often make your initial small deposit more valuable in the meantime as you are leveraging the full value of the property.
- Time on your side - the lengthened settlement period means you have some breathing room to sell your current property and organise what comes with you.
- Getting in early allows you to choose your preferred residence from a range of properties within the development, with the opportunity to make individual selections of your own around finishes.
- As the property is brand new there is no need for repairs or renovations, meaning one less thing to worry about as a homeowner.
- The WA State Government supports urban development. There may be off-the-plan duty concessions and rebate schemes available for off-the-plan purchases.
  Available concessions are published on the WA Government website www.wa.gov.au.
- If you are a first home buyer you may be eligible for the First Home Owners Grant (FHOG). The stamp duty rate is concessional depending on the dutiable value of the property being below certain thresholds (these are different from state to state). More information can be found at wa.gov.au/organisation/department-of-finance.

The purchase process

Visiting our office

Gather information on the proposed development by viewing sales material, which may include;

- Scale project model, providing locational views.
- Brochures and detailed specifications.
- Maps and aerial photos with proximity pointers and nearby amenity.
- Imagery of the building and apartment internals (artist impressions).
- Detailed large format floor plans.
- Finishes boards with samples of material selections.
- Kitchen and bathroom display.
- Visit our completed buildings to see how they sit seamlessly into the landscape.

Costs of apartment living

The most significant cost is the purchase itself, however there are a number of costs outside of the purchase price that you will need to consider.

Stamp duty

This is paid by the purchaser to the State Government and is based on a sliding scale depending on the purchase price of the property. Information on fee scales can be found online at wa.gov.au/organisation/department-of-finance.

Settlement/legal fees

There may be legal fees associated with the purchase and transfer/settlement process. At settlement there will be some adjustments to be made, which may include rates, land tax liability and strata fees. Your settlement agent will prepare a settlement statement which sets out the adjustments that need to be paid at settlement.

Strata expenses

Under strata title there will be annual strata fees. For an off-the-plan purchase you will be provided with a copy of the proposed strata budget.

Your strata fees also include building insurance, so you will only need to arrange contents insurance on top of this. Unlike a traditional stand-alone home, all external building maintenance, gardening, common area cleaning and maintenance (ie. lobby, pool and gym cleaning) is included in your strata fees.

Ongoing expenses

Your most common ongoing expenses include:

- Strata levies.
- Local government rates.
- Water usage & electricity charges.
- Contents insurance.
- Internal maintenance.

Ownership legalities

Apartments are owned within a strata title scheme that is governed under the Strata Titles Act. The most important aspect to understand is that beyond your apartment, storage area and car bay you are purchasing a share in all the communal spaces within the building ie. lift, pool, gardens, corridors and the grounds. This is known as the common property of which all owners are jointly responsible.

The Body Corporate

Made up of the owners, the body corporate will engage a Strata Management Company to look after and administer the running of the building and coordinate maintenance, for example lift maintenance, gardening, gym upkeep, grounds maintenance, lobby and carpark cleaning.

The Body Corporate creates and enforces the body corporate rules (eg. no smoking, pets permitted, etc.) You will automatically become a member of the Body Corporate when you purchase an apartment. Unit entitlements are a number assigned to each strata lot, which determines the portion of the Body Corporate budget that your apartment is responsible for. The unit entitlement table is shown in the contract of sale or on your title documents.

The unit entitlements that are assigned to each apartment are produced by an independent Licensed Valuer.

Responsibilities of the Strata Manager

- Manage, maintain and repair common property.
- Create and implement a long term maintenance plan (so there are no surprises that you'll need to financially contribute to as an owner).
- Organise the Annual General Meeting (AGM).
- Keep minutes and records of the AGM and all meetings.
- Keep financial statements/records.
- Collect strata fees to fund the operation and maintenance of the building.
- The administration of the Body Corporate.

Purpose of an AGM

Held annually, the Body Corporate will discuss;

- Financial statements for the year, and the budget for the next year.
- Planned or necessary maintenance of common property/areas.
- Insurance and other expenses.
- Service contracts.
- Long term maintenance plan.
- Building manager review, voting of chairman and owner's committee.

Minutes will be written as a record of the AGM.

Strata Council

A secondary group of owners is elected at the AGM to represent all owners and make decisions for the group and the good of the building. Strata Council meetings are typically held quarterly where issues are discussed and documented.

Strata fees

These contributions from each owner cover the costs of running the building and may include items like building insurance, maintenance, and salary of the Strata Manager.

Strata fees may seem expensive, however unlike houses where issues can go unnoticed for years and then are costly to rectify, apartments have a group of owners with a shared interest in the upkeep of the building. Maintenance is completed regularly to ensure a certain standard of living and appearance and to protect the long term value of your asset.

Willing developments are designed to last, harnessing traditional building techniques and exceptional workmanship to deliver well considered, high quality residences.

You have decided to proceed with a purchase, now what?

1 **Select your preferred apartment**

Choose an apartment that meets your criteria in relation to position, aspect, floor plan & price.

2 **Reserve your apartment**

A reservation form is signed and a refundable holding fee of $1000 is payable. You will then have 7 days to review the sales contract and confirm your purchase.

3 **Finalise the purchase**

The contract of sale is signed, and your settlement agent notified. Following this you will have 10 days from the date of acceptance to pay the 10% deposit, which is held in a trust account pending completion and settlement.

4 **Make your finishes scheme selection**

You will be contacted when the time comes to choose your finishes scheme and any options you would like to add to your new home.

5 **Updates**

During the construction process you will be updated on construction progress, with photos of project milestones. It is important to keep in mind that completion and settlement dates can change during construction due to a range of varying factors.

6 **Practical Completion**

Practical Completion (PC) is an important milestone which allows the developer to commence the application for titles. During this process a building certifier will complete a number of post-completion inspections in order to lodge an application for Occupancy Permit with the local authority.

Once the Occupancy Permit has been issued the application for Titles can be lodged with Landgate. This process with Landgate generally takes 5-8 weeks, thus settlement may be some two months following PC.

7 **Pre-Settlement Inspection**

Nearing settlement you will be invited to an inspection which is an opportunity for you to view your apartment. In the event of any imperfections the builder will make their best effort to rectify these prior to settlement, although some works may be required to be completed after settlement has been effected. Any incomplete works are not able to hold up the settlement process but will be rectified in due course subject to trade availability and procurement.

You will also receive a 6 month Defect Liability Period (DLP), commencing from the date of construction Practical Completion. Any imperfections that were not identified during your pre-settlement inspection will be rectified by the Builder for the following 6 months. In addition to the DLP, all Willing developments are covered by a 6 year statutory structural warranty, giving you peace of mind of a high quality build.

8 **Settlement and Handover**

Following the issue of titles you may proceed to settlement, with timing pursuant to your contract, typically 14 days from the issue of titles (or sooner should you wish). Upon settlement the keys for your new apartment will be exchanged.

Off-the-plan contract of sale

The deposit Is detailed and fair to both parties and is prepared by Lavan Legal. Prior to signing, you have the opportunity to have the contract reviewed by your preferred advisor.

The contract includes;

- floorplan and location plan of the apartment you are purchasing and plans for the entire building, including shared areas.
- Proposed building by-laws.
- Strata budget and strata fees.

It's important to understand that once your contract has been counter-signed by the developer and returned to you the contract is valid & binding.

Deposit

A 10% deposit is required, which will be placed in a trust account managed by Lavan Legal. On settlement the deposit forms part of the purchase price, with only the 90% balance due, along with stamp duty and other costs as outlined earlier.

Residence numbering

Please note, the number of the residence you purchase doesn't necessarily indicate your final street address. Final residence numbering is managed by external authorities, including DFES and the local authority, and is subject to change during the titling process. You will be advised closer to completion of your final street address which will be used for settlement, account set up and mail deliveries.

The settlement process

The process of transferring the property from the seller to the buyer.

Nominate a Conveyancer or Settlement Agent

This is usually done at the time of signing your contract. Your conveyancer or settlement agent will:

- Register the transaction with the relevant authorities.
- Make the transaction official.
- Advise you of stamp duty obligations.

Pre-settlement

Once you've signed your contract of sale there isn't much else you need to do until settlement approaches. You will be kept up to date on the status of your build as it progresses. Once the building has reached Practical Completion the developer will make an application for titles with Landgate. This process is managed by a Government department and can take 5-8 weeks. Once Landgate has issued titles, the next step is settlement of the property.

- If required, you will need to ensure your loan is approved and your banking institution is ready to proceed with settlement.
- An independent valuation of your apartment may be required – this will be arranged by your lending institution in consultation with the sales person.
- Once settlement has been effected you will receive your keys and gain access.

Purchasing property as a foreigner

The Foreign Investment Review Board (FIRB) is a Federal board that examines proposals from foreigners wanting to invest in Australia. There are FIRB rules that apply to residential real estate sales in Australia. The Australian Government's policy is to ensure foreign investment in residential real estate increases supply and is not speculative. It aims to channel foreign investment into the housing sector to increase supply of new housing and benefits the local building industry and its suppliers.

Things to consider

- Foreign non-residents or short-term visa holders can purchase off the plan and new properties.

General rules

- All foreign non-residents are required to apply to FIRB for approval of any proposals to acquire residential real estate in Australia.
- Our projects can be purchased by foreign residents.

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