



FACT SHEET



Property Deposits - Quick Guide

Normally, a real estate agent will ask for a 10%, 5% or 0.25% deposit.

10% DEPOSIT

Traditionally this has been a 10% deposit and allows the purchaser a cooling off period of 5 working days. If the purchaser decides to not proceed within the 5 day cooling off period the 10% deposit will be refunded less 0.25%.

5% DEPOSIT

As property prices have risen it is increasingly hard to obtain a 10% deposit in cash. As a result many vendors will accept a 5% deposit as opposed to a 10% deposit.

0.25% DEPOSIT

Many real estate agents may advise you that if you want to take the property "off the market" you can place a 0.25% non refundable deposit on the property. Like the 10% and 5% deposits this allows the purchases a cooling off period of 5 working days. If the purchaser decides to not proceed WITHIN the 5 working day cooling off period the 0.25% deposit is not refunded.

WARNING:

If the purchaser decides **NOT** to proceed:
(1) after the 5 day cooling off period, or
(2) if the cooling off period is waived
then the purchaser may :

- forfeit their deposit
- be liable for the rest of the deposit up to 10%
- be liable additional cost incurred by the vendor

GET ADVICE

This is purely a quick guide and does not constitute legal advice. Your individual situation may differ greatly so it is **essential** that you get a the proper legal advice from your solicitor or licensed conveyancer.

WHEN DO I PAY THE DEPOSIT?

You will normally pay the balance of your deposit at the time the contracts are exchanged. Some agents will request a deposit prior to this to take the property "off the market".

REMEMBER

Once you have signed the contract you will need give Equitimax (or your lender) a copy of the front page.

DEPOSIT BONDS

If you are borrowing 100% of the purchase amount or you are unable to raise the deposit you may be able to get a Deposit Bond.

A Deposit Bond can be use in place of the deposit and are usually provided by insurance companies.

Equitimax is accredited with Deposit Power and can assist in obtaining a Deposit Bond. For more information contact Equitimax or visit Deposit Power at www.depositpower.com.au



RECOMMENDATION

Equitimax Pty Limited recommends that you should not hand over a deposit nor sign the contract of sale until your have:

1. Had your conveyancer check the contract the of sale
2. Completed the appropriate searches and inspections (strata, building, pest etc)
3. Obtained finance approval (if required)