



## Advice from Alan

# Pre-settlement inspection tips

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Under the standard Agreement for Sale and Purchase, if a property is being sold

with vacant possession, a purchaser has a right to carry out an inspection before the settlement date. This gives the purchaser the opportunity to check that the chattels and property are still in place and in the same condition, all keys and electronic door openers are working, there is no recent damage, any agreed maintenance has been completed, and the property is free of rubbish.

If the purchaser has any issues that arise from the pre-settlement inspection, under the Agreement for Sale and Purchase, they are required to issue written notice to the vendor before 5pm on the last working day prior to settlement. For example, if the settlement date is a Monday, then the last working day before settlement would be the previous Friday.

Accordingly, it would be prudent for agents to arrange for the pre-settlement inspection to be completed at least two

working days before the settlement date to ensure that a purchaser's position is protected and that there are no unnecessary delays on the settlement date. If a buyer is away, then they should organise someone else such as a friend or relation to carry out the inspection for them.

If the purchaser does raise any issues at the time of inspection, we recommend that these issues be disclosed in writing to the vendor's legal representative as soon as practicable after the inspection. This will allow all parties time to discuss resolution of any issues.

It is worth noting that any issues raised by the purchaser would not give them the right to cancel the Agreement for Sale and Purchase or delay settlement. It would, however, give them the right to claim compensation. This could be negotiated between the parties via their lawyers to reach an agreement, which might include the vendor doing work on the property before settlement, a reduction in the purchase price, or holding back some of the price until the issues are fixed.