

# PROPERTY PULSE

**BUYING OFF THE PLAN  
- WHAT TO EXPECT**





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## INTRODUCTION

Buying a new off-the-plan property can seem complex, but with the right guidance and clear information, it can be a smart way to secure a property at today's prices—potentially benefiting from future capital growth.

This eBook provides a practical overview of what to expect when purchasing an off-the-plan property in Australia. Inside, you'll find a step-by-step breakdown of the process, an outline of associated costs, and key considerations to help you make informed decisions with confidence.



The majority of new properties purchased in Australia are bought off-the-plan. Without the right support, this process can feel overwhelming—especially if you're unfamiliar with how it works. That's why more buyers are turning to Building Assistance Australia—a trusted team committed to making your property journey smooth, informed, and stress-free.

At Building Assistance Australia, we work closely with a dedicated team to ensure your property purchase is smooth and stress-free from start to finish. You'll be kept informed throughout the entire journey, with support at every stage to help guide and coordinate the process.

The following step-by-step guide outlines the typical process of purchasing a new property. Understanding what to expect can ease uncertainty, especially when buying off-the-plan. Our goal is to provide clarity and confidence throughout your property purchasing journey, making the entire experience as straightforward and seamless as possible.





## STEP 1: INSTRUCTION TO PROCEED

Now you 've selected your property, the first step you need to take is to complete the Property Reservation Form. This is simply a form that indicates your intention to purchase the property — it means that you are ready to proceed to the next stage of the process.

Step 1: Instruction to Proceed The Reservation Form is not a legally binding document, however, is a sign of good faith between buyer and seller and indicates the buyer's desire to proceed with the preparation and signing of the contract as well as putting a hold on the selected property.

As with all real estate transactions, including off-the-plan purchases, time is of the essence and only contracts signed by all parties are legally binding.



## STEP 2: INITIAL HOLDING DEPOSIT

Once the EOI is completed, the typical amount paid to 'hold' the property is \$1000, however, this can vary depending on the builder and the demand for the property.

This holding deposit is usually fully refundable if you decide not to move forward, however, it's always a good point to confirm this point. Sometimes, depending upon the demand of the property, the holding deposit may not be refundable so ensure you are committed in the event it's not. Simply call us to confirm either way.



Your property advisor will provide you with the Trust account details (typically the Trust Account of the builder's solicitor). It is important to include your Lot No/Estate when making your deposit - this way it won't get lost. Always send a copy of your receipt of payment of the holding deposit to your property advisor.

Once we have received your EOI and initial holding deposit the property will be removed from the market by the seller. This means the property has now been reserved for you while the contract is being prepared.

If you change your mind for any reason prior to the signing of the Contract of Sale your initial holding deposit will be fully refunded.

As an extra assurance, please send a copy of your receipt to us and we will forward onto the appropriate team.





## STEP 3: THE CONTRACT

The contract is prepared and sent to you (or your solicitor/conveyancer) depending on who has been nominated on your Reservation Form.

If you have nominated your solicitor/conveyancer to receive the contract first, they examine the documentation on your behalf to ensure it's accurate.

Your solicitor/conveyancer will usually provide you with a summary review of the contract, bringing specific dates or requirements to your attention prior to signing.



The contract documents that will be sent to your solicitor/conveyancer vary depending upon the property type (house & land, townhouse, apartment, SMSF or NDIS) the location / state the property is located in. (Real estate laws vary from state to state) Generally, your solicitor should receive a copy of the land contract, build contract and seller's disclosure statement.

The Seller's Disclosure Statement is only relevant for apartments and townhouses. The disclosure document for an off-the-plan purchase is the seller's disclosure to you, the buyer of the property, both prior to the development and following construction.

Essentially, this document ties the land and the potential construction together to create the final property at settlement. The document therefore includes building development and all relevant plans including site plans and floor plans, the community management statement, body corporate fees and lot entitlements.





## STEP 4: SOLICITOR REVIEWS CONTRACT



When your solicitor is satisfied with the contract, they will make arrangements with you either to come into their office to sign contracts or send the contract to you for execution and will go through the signing process over the phone.

## STEP 5: PURCHASER SIGNS CONTRACT

Once you are comfortable with the contents of all documents you must sign the contract where indicated and return them to your solicitor promptly — generally within seven days.

Remember time is of the essence and you have not legally secured the property until the contract is signed and returned. Even at this stage the seller is quite entitled to sell the property to someone else if they feel you are taking an unnecessary amount of time to complete the contract without providing a reasonable explanation for the delay.

If however, there are any details in the contract that you still do not understand or if you feel any of the information is incorrect, you need to discuss these issues with your solicitor immediately.





## STEP 6: SELLER SIGNS CONTRACT

Once you have signed the contract your solicitor will then forward them onto the seller, or the seller's solicitor, for contract signing, the execution of the contract. Up until this time the contract is not legally binding. It is only when the seller signs and dates the contract, that, the contract is live and binding.

Please note it is only the last person who signs the contract who can apply the date to the contract. Of course, even after everyone who needs to sign the contract has actually signed, the contract is still conditional on the purchaser and seller completing their obligations under whatever specific terms and conditions are included in the contract.



## STEP 7: COOLING-OFF PERIOD

In most cases purchasers of real estate have a cooling-off period of five days after the actual contract date. During this time you can decide for any reason whatsoever not to proceed with the contract. Different States have varying legislation regarding real estate contracts. At the expiry of this five day cooling-off period the contract will still be conditional upon both the buyer and seller meeting any contract obligations included in the contract documents.







## STEP 8: PAY BALANCE OF DEPOSIT

Sellers usually require purchasers off-the-plan to pay a full 10% of the purchase price as a deposit.

The balance of the 10% deposit; that is, 10% of the purchase price less the initial holding deposit, is generally required within 14 days of the contract date.

So, what would happen to your deposit if the seller were unable to deliver a finished or completed product? Many mistakenly believe that the seller keeps the deposit monies to use during construction.

This is not the case — all deposit monies are held in trust for the purchaser in a solicitors' trust account.

If for any reason the seller cannot complete the contract by delivering the property, then all cash deposits are refunded in full to the purchasers.

Of course, the charges you pay for deposit bonds or bank guarantees cannot be refunded.



## STEP 9: UNCONDITIONAL CONTRACT



After the seller has received the full deposit and all other conditions of the contract have been satisfied or met, the Contract of Sale will become unconditional.

Once this occurs, there is now a legally binding document in place and all parties, buyer and seller, will be legally bound by the contract.

In the event that a purchaser in this instance decided that they didn't want to proceed with the purchase, the seller has every right to claim the purchaser's deposit and any other costs they may have incurred.

Notwithstanding this, most sellers will allow a purchaser to exit the contract without penalty if there is a genuine reason — such as the death of a party to the contract.





## STEP 10: FINANCE FOR HOUSE & LAND PACKAGES

When buying off-the-plan you will be usually required to pay a 10% deposit on the total package. This may be broken up into two separate payments for the land and one for the build. Once settlement of land occurs, you will be required to make progress payments on the build on the various stages: slab, frame, lock-up, completion. This varies from builder and state. These payments are drawn down from your approved investment loan.



## FOR APARTMENTS AND TOWNHOUSE PURCHASES

Once the contract is signed, we encourage you to stay in regular contact with your financier throughout the contract period.

At minimum, you must be in close contact with your financier at least two to three months prior to the expected date of settlement. As the property nears completion you will be advised of the official settlement date and need to organise your financial arrangements in readiness for settlement.

During this process the bank will most likely order a valuation on the property you are purchasing. Generally banks will lend up to 90% of the property valuation if you pay for lenders mortgage insurance. If you are borrowing 80% or less of the value of the property or if you are providing additional security to the bank, for example another property, and the total borrowings on the combined security (the two properties) are 80% or less, then lenders mortgage insurance won't apply.

Lending conditions for purchasing properties through an SMSF or under NDIS do vary. To avoid disappointment, especially when using your own broker, it is advisable to adhere to your property facilitators instructions as to which lender has the most favorable policies.

Once you have secured finance for the property you are ready to settle.





## RISKS

Purchasing an off-the-plan property in Australia comes with some risks, particularly if the property may not commence being built for 12 months after you have received your initial finance approval. Here are some potential risks:

### **Delays in Construction:**

When you purchase an off-the-plan property, you are essentially buying a property that does not yet exist. This means that construction delays can happen, which can extend the settlement period and cause financial stress. In some cases, construction delays can be significant, which can result in additional costs such as temporary accommodation expenses.

### **Changes to the property:**

Developers may make changes to the property plans during construction, which can mean that the final product may differ from what was initially marketed. This can be particularly concerning if the changes are significant and impact the value or functionality of the property.

### **Market Conditions:**

The property market can change significantly over 12 months, and there is no guarantee that the property you purchased off-the-plan will increase in value. You may find that the property is worth less than what you paid for it at settlement, which can be financially devastating. Finance issues: If you have received finance approval to purchase an off-the-plan property, there is a risk that your financial situation may change in the 12 months before settlement. You may lose your job, suffer a significant illness or injury, or experience other unforeseen circumstances that impact your ability to settle on the property.

### **Developer insolvency:**

In some cases, developers may become insolvent before completing the project. This can result in significant delays or even the cancellation of the project. If this happens, you may lose your deposit and be left with limited legal options. It is important to understand these risks before committing to purchasing an off-the-plan property. It is also recommended that you seek legal and financial advice before making any major property purchase to ensure that you fully understand the terms and conditions of the contract and the potential risks involved.





## SETTLEMENT

There are two phases to settlement when purchasing off-the-plan. The first phase occurs upon practical completion. This triggers the issue of Certificates of classification, which indicates that the building can be legally occupied.

The second phase occurs when the titles are registered. This leads to settlement, which usually occurs 14 days later. As you may have noticed, there are two major differences when purchasing a property off-the-plan.

The first is in the contract details. A contract for purchasing off-the-plan will be much more detailed given that construction may not have commenced or may have only just begun. In this case, the contract will include everything from proposed body corporate assets and expenses to an outline and schedule of finishes for each property.

The second difference is in the settlement phase. While settlement for an existing property generally occurs 30 days from the contract date, purchasing off-the-plan allows more time between contract date and settlement. For House and land or townhouse packages, this may be between 16 — 34 weeks, for apartments this can be from 12 to 18 months or more.

Settlement dates can be advised on a case-by-case basis for properties where construction has already commenced.

Building Assistance Australia works with 1000's of property transactors across Australia providing the highest level of customer service through-out this process. Our buyers are kept informed every step of the way with regular Purchaser Updates that provide the development status as well as details required to keep in mind for settlement.

The process doesn't need to be complicated, and with our assistance purchasing off-the-plan can be relatively stress free. In conclusion, we hope this step-by-step guide has helped to clarify the buying process.





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### Conclusion

Buying off-the-plan offers a unique opportunity to secure a property at today's prices, often with the potential for strong future capital growth.

However, success in this process hinges on being informed, prepared, and supported by the right team.

At Building Assistance Australia, we take pride in guiding clients through every stage—from selecting the right property and understanding contracts, to navigating finance, settlement, and beyond.

While the journey involves multiple steps and potential risks, it doesn't need to be overwhelming.

By following this step-by-step guide and leveraging expert support, you can approach your property purchase with clarity and confidence.

Whether you're a first-time buyer or a seasoned investor, our team is here to help make your off-the-plan purchase a smooth, successful, and stress-free experience.



### **DISCLAIMER ON OUR UNIQUE SKILLS.**

Our team members are specialist investment planners in property, and what we do is different to that of a financial planner. We are licenced to deal in real estate, not financial planning.

Financial planners and accountants often buy into us to assist their clients in starting a successful property portfolio. We have no specialist skills in family succession, shares, or testaments. We do not hold an Australian Financial Services or Credit Licence. Until we learn more about your uniqueness, the opinions published here can only be general.

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

The data in the following graphs and tables are from third-party authoritative sources, all listed at the rear of this document.

These use historical data. Of course, past performance is not necessarily indicative of near- future results. We use this data to highlight long-term trends.

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

We believe that any financial commitment is a big step in your journey, so we strongly recommend obtaining independent advice before making financial decisions arising from this document.

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

The law compels us to state that we make no warranty as to the accuracy, completeness, or reliability of the information, including the tools used to compute the information, nor do we accept any liability and responsibility arising in any way from omissions or errors contained in this document.

All arguments herein are made in good faith, and all data has been obtained in good faith from the most accurate sources we could find, much from government agencies

### **DISCLAIMER ON OUR UNIQUE SKILLS.**

Feel free to contact us to set up an initial complimentary meeting and find out how we can help you on your quest to develop your property portfolio that can change your future.

The steps include:

Step one. Relationship.

Step two. Knowing the numbers.

Step three. The choices.

Step four. Recommendations.

Step five. Plan into action.

Step six. Working together as a team.

**CONTACT US TO START YOUR RELATIONSHIP WITH OUR LICENSED TEAM MEMBERS**