

## BUYING INTERSTATE

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Buying a home in another state — such as Queensland — is an appealing idea but it pays to do some research first, as systems can vary widely.

# Beware of the unknown

Local knowledge is essential when buying interstate, writes **David Adams**.

**C**ONSIDERING buying a property interstate? Finding the right property aside, there are a few things to carefully consider before you take the plunge.

Pamela Bennett, president of the Real Estate Institute of Australia, says that while “generally speaking, there is some similarity” between the way real estate systems operate in each state, they do differ in areas such as the length of settlement.

Ms Bennett says stamp duty is another issue to consider. Not only will the amount payable differ from one state to the next — in Victoria, you’ll pay \$21,970 in stamp duty when buying a \$500,000 house compared with \$17,990 in New South Wales and \$15,925 in Queensland — so, too, does the time when it is payable. In Victoria, for example, duty is payable at the point of transfer whereas in other states duty might be paid when agreements to transfer are signed.

Also worth noting is that stamp duty exemptions for first-home buyers differ significantly from one state to the next.

For example, in NSW the exemptions and concessions apply to homes of up to \$600,000, while in Queensland and Western Australia exemptions are offered to first-home buyers on homes of up to \$500,000 and concessions for homes up to \$600,000.

Other differences when buying property in another state are contained in state-enacted legislation covering everything from building and urban planning through to owners corporations and other areas of real estate-related law.

The latter can include everything from what is required to be included on vendor’s statements through to the way in which auctions are run — some states require people who wish to bid on a property at an auction to register beforehand, for example — and the

way in which tenancy agreements are structured.

Glyn Morgan, chief executive of the Professionals Real Estate Group, says that because property laws change significantly from one state to another, interstate buyers need to be “exceptionally careful”.

“There are myriad different laws from state to state controlling the sale of properties as well as ongoing legal responsibilities,” he says.

Mr Morgan says many investors have been caught out by paying too much for properties because they didn’t have enough knowledge of a particular market. “The two-tier marketing schemes run in Queensland in the 1990s are the perfect example of how investors can be caught out if they don’t have local knowledge or expertise.”

He says investors considering buying in some regional pockets of resource-rich states such as Western Australia and Queensland that are experiencing a property

boom need to be “extra vigilant” to ensure they are not buying over-priced properties.

Melbourne-based buyer’s advocate Peter Rogozik agrees with the sentiment, noting that while it may be possible to negotiate your way through the process of buying residential property in any state through research, there is no replacement for on-the-ground knowledge of the real estate market.

“Buyers should seek assistance from a professional that is experienced in completing transactions in the area they are aiming to purchase in,” he says.

Mr Rogozik adds that even if a Victorian-based buyer’s advocate has a dual licence, they won’t necessarily know the local market well enough.

“Local knowledge is paramount,” he says, noting that it’s critical to know not only which suburbs are good to buy in but which parts of them stand out.