Podcast Transcript

Episode Title: The 14-Day Settlement Myth and How to Handle Delays
Host: Ian (Speaker 2)
Guest: Paul Denny (Speaker 1)
Date: December 12, 2024

Transcript

Ian (00:00.148)

And now it's time to talk conveyancing, I suppose, because that's what we're here for, and that's what you do very, very well.

Paul (00:05.500)

Good morning, Ian.

Ian (00:06.000)

Good morning. What happens when things go wrong? We're talking about the purchase.

Paul (00:10.000)

Yeah, look, if you're buying a property, unfortunately, every now and again something does go wrong. We actually had this happen this week, so it's sort of top of mind for me. How do you handle that? Because not everything always goes smoothly, and it's not always predictable.

In the situation we had this week, we were able to predict it, because our client was buying from someone who was an executor of a deceased estate. They actually couldn't say definitely, "We're going to settle on Friday," because they didn't know how probate was going to go. So we were able to, in that situation, right from the outset, negotiate that if you're not ready to settle on Friday, what about if we move in under a license arrangement and pay a small rent, so at least our clients can move in? That was a good result.

But sometimes you've got no prediction that that's going to happen. So then the question is, well, how did that happen, and how do you handle it? One of the things that I've noticed every now and again, people seem to have this idea, and they're told by their advisors, "You've agreed to settle on a particular date, but don't worry, you've got another 14 days." Without being told that's actually 14 days when you're in default. And these poor people you're buying from, they've made arrangements to move on a particular date and that's all thrown into chaos. At this time of year, it would be particularly bad.

That can happen, or there may be a problem with the bank not releasing the title because they've got other securities—they might have put their property up as security for the kids to buy their first home or something. So these things are not predictable. And the question then is, how do you handle that? You can threaten legal action and sometimes that will work. The problem is, in the 46 years I've been doing this, I've never known anyone to actually follow through. They huff and puff and they get upset. Look, settlement's been delayed by a week.

Ian (02:18.000)

Is it worth threatening legal action? "I've had to put my furniture into storage and have to live somewhere else," etc.

Paul (02:22.000)

At the end of the day when they move in, it's just a huge sigh of relief. So the last thing they want to then do is initiate legal action and claim maybe $2,000 in damages or whatever. Because the emotional and financial strain of that is just unthinkable. You really just take a deep breath and say, "God, that's over. I'm in," and let's move on. And there's nothing we can do about that. That's just the system.

Ian (02:45.000)

Yeah, interesting, when I purchased my place in Bowral. Purchased in the middle of the year, I think it was June or July. And all ready to go, and then the people selling the house said, "Look, we want to stay here until the end of the year because one of our kids is doing the high school certificate. And we don't want to move out, we don't want to disrupt him in his studies." And we said, "Well, okay, so when would you be thinking about moving out?" And they said, "Early December." And we said, "Fine, take $20,000 off the price, what do you reckon?" They said, "Yep, that works for us."

Paul (03:25.000)

Good, so that was negotiated. So often you can negotiate it, but I think the point I want to make is that if you're contemplating taking actual legal action, think very carefully because the strain of that is so huge. I've known plenty of situations where people have been absolutely, totally in the right, but it's cost them a huge amount financially and emotionally by taking it further. Legal action is just something you don't want to do.

Ian (03:50.000)

Paul Denny, you know just about everything that can possibly go wrong.

Paul (03:53.000)

Almost. I guess I'm never surprised by something new that comes up.

Ian (03:57.000)

You never stop learning, but you really have got the bull by the horns. You know exactly how this property business works. If people want to be confident in what they're doing, they really need to talk to you, don't they?

Paul (04:10.000)

Well, we know what we're doing and we can often predict these things, so it's always better to handle it that way.

Ian (04:15.000)

Why is it that you know what you're doing?

Paul (04:17.000)

When all you do is conveyancing, you get very good at it.

Ian (04:20.000)

Paul Denny, how do people get in touch?

Paul (04:28.684)

www.bowralconveyancing.com.au

Ian (04:31.000)

Thanks for coming in this morning. It's always an interesting learning experience. Paul Denny.

Paul (04:35.000)

Thank you.

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Key Information

Website: www.bowralconveyancing.com.au