

PROPERTY TITLE INSURANCE

1. What Is Property Title Insurance?

Property title insurance is a special type of property insurance available to home buyers for minimising property ownership risk.

2. Why Do I Need Property Title Insurance?

Having clear title is critical to property ownership. Having this clear title is difficult to guarantee without expensive and time consuming audits or checks (e.g. land surveying). Purchasing title insurance protects your use and ownership of property title.

Clear title can be affected by the following:

a. Illegal structures:

- Building permits never obtained.
- Modified structures that don't comply with legal requirements.
- Structures that never complied with the original building permit.
- Undisclosed structure information by previous owners.
- Incorrect information supplied by the shire.

b. Incorrect boundaries:

- Adverse possession claims.
- Loss of land value due to realigned fences.
- Encroaching structures.

c. Fraud, forgery or identity theft.

d. Title Ownership Errors:

- Outstanding taxes and rates.
- Public record errors.
- Registration gap.
- Undisclosed special levies.

e. Title & Planning Defects:

- Unregistered easements.
- Non-compliance with covenants.
- Unsatisfied development application conditions.
- Non-compliance with zoning & development laws.

3. Property Title Insurance Particulars

Purchasing property title insurance helps to alleviate many of the aforementioned ownership risks. The cost of the premium is approximately \$363.00 for properties less than \$500,000 in value and approximately \$1,210.00 for properties between \$1,750,001 and \$2,000,000 in value.

Title insurance is a ***once only premium that lasts forever***. There is no excess, cap or fault claims process.

4. Property Title Insurance Cases:

The following cases highlight the value of purchasing property title insurance. These cases are taken from the Stewart Title website:

- a. ***Unpaid Rates – Error by Council:*** Following settlement, the insured received notification from Council that there were outstanding water/sewerage rates in relation to the insured property. An error had been made by the Council with respect to the amount of rates payable as at the date of settlement.

The Resolution: Stewart Title paid the outstanding rates plus interest that had accrued thereon.

Stewart reserved its rights to take subsequent action to recover the outstanding rates from Council.

- b. ***Illegal carport and pergola:*** Following settlement of the purchase of a home in suburban Sydney, our insured noticed some building irregularities with the pergola on their property. The insured applied for a building certificate from the local Council.

Following the Council inspection, the insured was advised by Council that approval for the pergola had not been obtained by the previous owner and no final inspections had been carried out in respect of a carport and tool shed also located on the property. The Council ordered that the illegal structures be demolished.

The Resolution: Stewart Title paid for the demolition and reconstruction of the pergola, carport and tool shed.

Stewart Title handled all correspondence with Council and arranged final inspections in respect of the new structures.