



[Consumer Affairs Victoria](#) » [Housing and accommodation](#) » [Buying and selling property](#) » [Checklists](#) » [Due diligence checklist](#)

Due diligence checklist - for home and residential property buyers

Overview

Before you buy a home or vacant residential land, you should be aware of a range of issues that may affect that property and impose restrictions or obligations on you, if you buy it. This checklist aims to help you identify whether any of these issues will affect you. The questions are a starting point only and you may need to seek professional advice to answer some of them.

This page contains links to organisations and web pages that can help you learn more.

From 1 October 2014, all sellers or estate agents must make this checklist available to potential buyers of homes or residential property.

Sellers or estate agents must:

- ensure copies of the due diligence checklist are available to potential buyers at any open for inspection
- include a link to this webpage (consumer.vic.gov.au/duediligencechecklist) or include a copy on any website maintained by the estate agent or the seller (if no estate agent is acting for the seller).

You can print additional copies of the [Due diligence checklist \(Word, 58KB\)](#).

Urban living

High density areas are attractive for their entertainment and service areas, but these activities create increased traffic as well as noise and odours from businesses and people. Familiarising yourself with the character of the area will give you a balanced understanding of what to expect.

For more information, visit the [Commercial and industrial noise page on the Environment Protection Authority website](#) and the [Odour page on the Environment Protection Authority website](#).

Buying into an owners corporation

If the property is part of a subdivision with common property such as driveways or grounds, it may be subject to an owners corporation. You may be required to pay fees and follow rules that restrict what you can do on your property, such as a ban on pet ownership.

For more information, view our [Owners corporations section](#) and read the [Statement of advice and information for prospective purchasers and lot owners \(Word, 53KB\)](#).

Growth areas

You should investigate whether you will be required to pay a growth areas infrastructure contribution.

For more information, visit the [Growth Areas Infrastructure Contribution page on the Department of Planning, Transport and Local Infrastructure website](#).

Flood and fire risk

Properties are sometimes subject to the risk of fire and flooding due to their location. You should properly investigate these risks and consider their implications for land management, buildings and insurance premiums.

More information:

- [Australian Flood Risk Information Portal – Geoscience Australia website](#)
- [Melbourne Water website](#)
- [Mallee Catchment Management Authority website](#)
- [North Central Catchment Management Authority website](#)
- [Glenelg Hopkins Catchment Management Authority website](#)
- [North East Catchment Management Authority website](#)
- [Wimmera Catchment Management Authority website](#)
- [West Gippsland Catchment Management Authority website](#)
- [Bushfire Management Overlay in planning schemes – Department of Transport, Planning and Local Infrastructure website](#)
- [Building in bushfire prone areas – Department of Transport, Planning and Local Infrastructure website](#)

Rural properties

If you are looking at property in a rural zone, consider:

- Is the surrounding land use compatible with your lifestyle expectations? Farming can create noise or odour that may be at odds with your expectations of a rural lifestyle. For information about what impacts you should expect and how to manage them, visit the [New landholders section on the Department of Environment and Primary Industries website](#).
- Are you considering removing native vegetation? There are regulations which affect your ability to remove native vegetation on private property. The limitations on clearing and processes for legal clearing are set out on the [Native vegetation page on the Department of Environment and Primary Industries website](#).
- Do you understand your obligations to manage weeds and pest animals? Visit the [New landholders section on the Department of Environment and Primary Industries website](#).

- Can you build new dwellings? Contact the local council for more information.
- Does the property adjoin crown land, have a water frontage, contain a disused government road, or are there any crown licences associated with the land? For more information, visit the [Department of Environment and Primary Industries website](#).

Earth resource activity, such as mining

You may wish to find out more about exploration, mining and quarrying activity on or near the property and consider the issue of petroleum, geothermal and greenhouse gas sequestration permits, leases and licences, extractive industry authorisations and mineral licences.

For more information, visit the [GeoVic page on the Department of State Development Business and Innovation website](#) and the [Information for community and landholders page on the Department of State Development Business and Innovation website](#).

Soil and groundwater contamination

You should consider whether past activities, including the use of adjacent land, may have caused contamination at the site and whether this may prevent you from doing certain things to or on the land in the future.

For information on sites that have been audited for contamination, visit the [Contaminated site management page on the Environment Protection Authority website](#).

For guidance on how to identify if land is potentially contaminated, see the Potentially Contaminated Land General Practice Note June 2005 on the [Miscellaneous practice and advisory notes page on the Department of Planning and Community Development website](#).

Land boundaries

You should compare the measurements shown on the title document with actual fences and buildings on the property, to make sure the boundaries match. If you have concerns about this, you can speak to your lawyer or conveyancer, or commission a site survey to establish property boundaries.

For more information, visit the [Property and land titles page on the Department of Transport, Planning and Local Infrastructure website](#).

Planning controls affecting how the property is used, or the buildings on it

All land is subject to a planning scheme, run by the local council. How the property is zoned and any overlays that may apply, will determine how the land can be used. This may restrict such things as whether you can build on vacant land or how you can alter or develop the land and its buildings over time.

The local council can give you advice about the planning scheme, as well as details of any other restrictions that may apply, such as design guidelines or bushfire safety design. There may also be restrictions – known as encumbrances – on the property's title, which prevent you from developing the property. You can find out about encumbrances by looking at the section 32 statement.

Proposed or granted planning permits

The local council can advise you if there are any proposed or issued planning permits for any properties close by. Significant developments in your area may change the local 'character' (predominant style of the area) and may increase noise or traffic near the property.

The local council can give you advice about planning schemes, as well as details of proposed or current planning permits. For more information, visit the [Planning Schemes Online section on the Department of Planning and Community Development website](#).

A cultural heritage management plan or cultural heritage permit may be required prior to works being undertaken on the property. For help to determine whether a cultural heritage management plan is required for a proposed activity, visit the [Aboriginal Cultural Heritage Planning Tool section on the Department of Premier and Cabinet website](#).

Safety

Building laws are in place to ensure building safety. Professional building inspections can help you assess the property for electrical safety, possible illegal building work, adequate pool or spa fencing and the presence of asbestos, termites or other potential hazards.

For more information, visit the [Consumers section on the Victorian Building Authority website](#) and the [Energy Safe Victoria website](#).

Building permits

There are laws and regulations about how buildings and retaining walls are constructed, which you may wish to investigate to ensure any completed or proposed building work is approved. The local council may be able to give you information about any building permits issued for recent building works done to the property, and what you must do to plan new work. You can also commission a private building surveyor's assessment.

For more information about building regulation, visit our Building and renovating section.

Aboriginal cultural heritage and building plans

For help to determine whether a cultural heritage management plan is required for a proposed activity, visit the [Aboriginal Cultural Heritage Planning Tool section on the Department of Premier and Cabinet website](#).

Insurance cover for recent building or renovation works

Ask the vendor if there is any owner–builder insurance or builder's warranty to cover defects in the work done to the property.

You can find out more about insurance coverage on the [Owner builders page on the Victorian Building Authority website](#) and [Domestic building insurance page on the Victorian Building Authority website](#).

Connections for water, sewerage, electricity, gas, telephone and internet

Unconnected services may not be available, or may incur a fee to connect. You may also need to choose from a range of suppliers for these services. This may be particularly important in rural areas where some services are not available.

For more information, visit the [Choosing a retailer page on the Your Choice website](#).

For information on possible impacts of easements, visit the [Caveats, covenants and easements page of the Department of Transport, Planning and Local Infrastructure website](#).

For information on the National Broadband Network (NBN) visit the [NBN Co website](#).

Buyers' rights

The contract of sale and section 32 statement contain important information about the property, so you should request to see these and read them thoroughly. Many people engage a lawyer or conveyancer to help them understand the contracts and ensure the sale goes through correctly. If you intend to hire a professional, you should consider speaking to them before you commit to the sale. There are also important rules about the way private sales and auctions are conducted. These may include a cooling–off period and specific rights associated with 'off the plan' sales. The important thing to remember is that, as the buyer, you have rights.

For more information, view our [Buying property section](#).

Professional associations and bodies that may be helpful:

- [Archicentre website](#)
- [Association of Consulting Surveyors Victoria website](#)
- [Australian Institute of Conveyancers \(Victorian Division\) website](#)
- [Institute of Surveyors Victoria website](#)
- [Law Institute of Victoria website](#)
- [Real Estate Institute of Victoria website](#)
- [Strata Community Australia \(Victoria\) website](#).

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