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<tr>
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<th>Method Of Effecting Sale Of Real Estate</th>
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</tr>
</tbody>
</table>
ABSTRACT

A method of effecting sale of real estate. A contract of sale specifying a settlement period is effected between a vendor and a legal entity other than the vendor. Interest in the contract of sale is assigned from the legal entity to a purchaser. A purchase price, deposit and at least one instalment amount are determined. An effective date is determined for sale of the real estate, the settlement period extending from the effective date. A plurality of instalments are transferred from the purchaser to the vendor during the settlement period on dates determined at least partly from the effective date. A new market value is determined for the real estate. A capital growth value is calculated at least partly from the new market value and the purchase price. A balance payment is calculated. The purchaser is recorded as proprietor of the real estate in computer memory on a date determined at least partly from the effective date and the settlement period. The balance payment is transferred from the purchaser to the vendor on a date determined at least partly from the effective date and the settlement period.
AUSTRALIA
PATENTS ACT, 1990

COMPLETE SPECIFICATION

FOR A STANDARD PATENT

ORIGINAL

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Invention Title: Method of Effecting Sale of Real Estate

The following statement is a full description of this invention, including the best method of performing it known to us.
FIELD OF THE INVENTION

The invention relates to a method of effecting sale of real estate. The invention relates particularly, though not exclusively, to a method of releasing equity in residential real estate to home owners aged 60 or older.

BACKGROUND TO INVENTION

In the United Kingdom and the USA one of the popular methods for aged home owners to release equity in their homes is to take out a “reverse mortgage”. In a reverse mortgage, a small lump-sum loan as a line of credit is provided to a home owner and compounding interest from the loan accrues, secured by a registered first mortgage over the borrower’s home. In most cases the house is sold to pay back the loan. However, the home owner’s equity can be eaten away rapidly minimising any future choices. The lender of the funds and interest, typically a financial institution or bank, has no right to sell the residential property until either the death of the owner, a decision by the owner to sell the property, the property is unoccupied for a certain period, or any other specified condition.

One difficulty with reverse mortgages is that the equity in the house has the potential to be quickly eroded. If the home owner changes his or her mind, or something unexpected arises where there is a need to sell the residential dwelling, the home owner often discovers that the equity now available in the dwelling has been significantly reduced.

Unexpected events such as an illness requiring costly nursing care, or an unexpected need of a family member for funds for instance can lead to a change in plans requiring a sale of the property. The home owner can find themselves in a difficult position if the reverse mortgage has already reduced the equity in their dwelling by a significant amount so as to remove any chance of the home owner affording cheaper accommodation.

In this specification, where reference has been made to external sources of information, including patent specifications and other documents, this is generally for the
purpose of providing a context for discussing the features of the present invention. Unless stated otherwise, reference to such sources of information is not to be construed, in any jurisdiction, as an admission that such sources of information are prior art or form part of the common general knowledge in the art.

It is an object of the present invention to provide an improved or alternative method of effecting sale of real estate, or to at least provide the public with a useful choice.

SUMMARY OF THE INVENTION

The invention in one form provides a method of effecting sale of real estate between a vendor and a purchaser, the vendor recorded as proprietor of the real estate in computer memory. The method comprises the steps of effecting a contract of sale between the vendor and a legal entity other than the vendor, the contract of sale specifying a settlement period; assigning the interest in the contract of sale from the legal entity to the purchaser; determining a purchase price; determining a deposit; determining an instalment amount; determining an effective date for sale of the real estate, the settlement period extending from the effective date; transferring a plurality of instalments from the purchaser to the vendor during the settlement period on dates determined at least partly from the effective date; determining a new market value for the real estate; calculating a capital growth value at least partly from the new market value and the purchase price; calculating a balance payment; recording the purchaser as proprietor of the real estate in computer memory on a date determined at least partly from the effective date and the settlement period; and transferring the balance payment from the purchaser to the vendor on a date determined at least partly from the effective date and the settlement period.

The invention in another form also provides a method of effecting sale of real estate between a vendor and a purchaser, the vendor recorded as proprietor of the real estate in computer memory. A contract of sale is instead effected between the vendor and the purchaser without the use of an intermediary as described above.
The contract of sale in a further form specifies a right exercisable by the vendor to enter into a rental agreement with the purchaser effective from the expiry of the settlement period. This rental agreement could be effective for a rental period specified by the vendor, typically in the range one to fifteen years.

The contract of sale may also specify a right exercisable by the vendor to enter into further consecutive rental agreements, typically in the range one to fifteen years.

The term “comprising” as used in this specification and claims means “consisting at least in part at”. That is to say, when interpreting statements in this specification and claims which include “comprising”, features, other than those prefaced by this term in each statement can also be present. Related terms such as “comprise” and “comprised” are to be interpreted in a similar manner.

As used herein the term “and/or” means “and” or “or”, or both.

As used herein “(s)” following a noun means the plural and/or singular forms of the noun.

To those skilled in the art to which the invention relates, many changes in construction and widely differing embodiments and applications of the invention will suggest themselves without departing from the scope of the invention as defined in the appended claims. The disclosures and the descriptions herein are purely illustrative and are not intended to be in any sense limiting.

BRIEF DESCRIPTION OF THE FIGURES

Preferred forms of the method of effecting sale of real estate will now be described with reference to the accompanying figures. Figure 1 shows a computer system in which the present techniques are implemented.
DETAILED DESCRIPTION OF PREFERRED FORMS

Figure 1 shows a preferred form system 100 in which one form of the method of effecting sale of real estate is implemented. A vendor 105 is typically recorded as the proprietor of real estate. The real estate is usually a residential property. The system 100 includes a computer system 110 storing details of the real estate for which the vendor 105 is recorded as proprietor.

In one embodiment the computer system 110 is maintained by a State Registry Office. Alternatively computer system 110 could be maintained as a National Electronic Conveyancing System accessible by all States and Territories. System 110 includes at least a property register 115. Register 115 maintains details of registered freehold land ownership within the relevant State. The register 115 also maintains details of registered interests against a property. Register 115 can be maintained as a single register or can be implemented as several registers and referred to collectively as a property register. One example is the Integrated Titling System (ITS) maintained by the NSW Department of Lands and guaranteed by the State Government of New South Wales or the proposed National Electronic Conveyancing System.

The computer system 110 stores information on real estate within an Australian State. Each residential property typically includes a description of the estate (for example fee simple) the area of the property, the legal description and the registered proprietor or proprietors. The register 115 typically stores registered interests against the property for example mortgages to financial institutions and caveats preventing or restricting commercial dealings in the property. Also stored are easements, covenants, resumptions and subsequent changes in ownership.

The computer system 110 is typically implemented on or managed by a computer server 130 or series of servers. The server 130 is accessed by a workstation 135 or 140 connected to a network for example a local area network 145 to the server 130. The server 130 is optionally further connected to workstations 145 and 150 through an internet connection 155. Workstations 135, 140, 145 and 150 typically have installed software
enabling a user of the workstation to log on to computer system 110. The system enables lawyers and conveyancers to register title instruments and changes to titles electronically including transfers of ownership as well as registration and discharge of mortgages.

Vendor 105 has access to computer system 110 either through workstation 135, workstation 145, directly with a State Registry Office, or through a third party for example a solicitor. Similarly purchaser 155 has access to the computer system 110 for example through workstation 140, workstation 150, directly with the State Registry Office or through a solicitor other than the solicitor of the vendor 105.

A typical vendor in this technique is an Australian citizen over the age of 60 years. The typical vendor is the registered proprietor of a residential property and is recorded as the proprietor in the composite register 125. The preferred estate is a fee simple estate with a minimum market value of AU$200,000 or equivalent.

The method of effecting sale of the real estate is first commenced by effecting a contract of sale between the vendor 105 and a legal entity other than the vendor. This contract of sale is referred to as a sale and purchase agreement. The typical legal entity that is the other party in the contract of sale is an intermediary 160 which could include a public company, private company, trust, individual or group of individuals. It will be appreciated that in alternative methods, the vendor 105 may enter into a contract of sale directly with a purchaser 155 without the use of an intermediary 160. In these alternative methods the actions that are described below as being performed by intermediary 160 are performed by purchaser 155.

The contract of sale specifies a settlement period, and is typically signed by both the vendor 105 and the intermediary 160. The practice of both vendor and intermediary signing the contract varies from state to state. For example in NSW only one party signs a counterpart and counterparts are exchanged.

In a conventional real estate transaction, a sale and purchase agreement becomes binding, once all conditions of sale (if any) have been satisfied. There is then a period of
generally a few weeks between the agreement becoming binding and formal settlement. Following formal settlement the purchaser or the solicitor for the purchaser records a transfer in the computer system involving the real estate. The purchaser is substituted by the transfer as the proprietor of the property and the vendor is then recorded as an original or previous proprietor.

A deposit is generally provided to the vendor once the sale and purchase agreement has become binding. The purchaser typically gives the deposit to the purchaser’s solicitors who then hold the deposit in trust, before transferring the deposit to the vendor’s solicitors following settlement. The balance of the final purchase price is then transferred in the same manner from the purchaser to the vendor following formal settlement. The vendor is not able to use the deposit money prior to settlement.

Whereas in a typical real estate transaction the settlement period is a few weeks, the techniques described below involve a deferred settlement where the settlement period is between 2 and 10 years. This means that on the sale and purchase agreement becoming binding, there is then a period of between 2 and 10 years before the purchaser becomes the registered proprietor of the real estate. The vendor is paid an initial deposit followed by annual instalments over the deferred settlement period. The instalments could be each the same amount or some could be differing amounts.

It is anticipated in one form that the purchaser record an interest on the interest register in the form of a caveat, mortgage and/or other instrument preventing the vendor from fraudulently selling the property to a third party during the settlement period.

The next step is to determine a purchase price for the property. The purchase price may be established by negotiation between the parties or may be established through methods based on one or more written or estimated valuations as described below. Such valuations may be net of chattels or inclusive of chattels. One preferred method of determining the purchase price is for the intermediary to engage a land valuer to establish a written market value for the property. Alternatively, the intermediary could
specify an estimated valuation. The contract of sale or sale and purchase agreement specifies this purchase price.

The vendor 105 is under no time limit to accept the contract of sale. The vendor may accept the purchase price specified by the intermediary 160. Alternatively, the vendor 105 engages an independent land valuer to establish the vendor's own written market value for the property. If the vendor 105 obtains a further written market value then the market price supplied by the intermediary 160 could potentially be different from the market value obtained by the vendor 105. One method of determining the effective purchase price in such a case is that if the valuation obtained by the intermediary 160 is at least 90% of the valuation of the vendor 105, then the determined purchase price is the median point between the two valuations. If the valuation supplied by the intermediary 160 is less than 90% of the valuation obtained by the vendor 105, then the purchase price may be set at the median point between the valuation obtained by the vendor 105 and a value that is equal to 90% of the valuation obtained by the vendor 105.

Another method of determining the purchase price is for the vendor 105, typically within 10 working days of signing of the contract of sale, to engage a land valuer to establish a written market value for the property. A formal report and market value is prepared by the valuer and provided to the intermediary 160. In an alternative form the contract of sale or sale and purchase agreement specifies the purchase price sought by the vendor 105.

The above methods set out typical ways in which the purchaser and the vendor negotiate a purchase price. Once the effective purchase price has been determined, the vendor 105 typically has a set period of 5-15 working days cooling off period. The intermediary 160 then has up to six months to confirm the contract. This six month period is typically calculated either from the end of the cooling off period of the vendor or the date that the contract was signed.

After the intermediary 160 has confirmed the contract, the interest of the intermediary 160 in a contract of sale is then assigned to the purchaser 155. It is
anticipated that in embodiments in which an intermediary is used, the purchaser 155 will be a different legal entity to both the vendor 105 and the intermediary 160.

Once the intermediary 160 has confirmed the contract, the purchaser 155 then has 10 days to undergo due diligence that includes obtaining a written valuation from an independent valuer.

Following due diligence, the purchaser 155 must confirm whether or not the purchaser intends to purchase the real estate. Once the purchaser has confirmed its intention to proceed with the sale, the contract for sale or sale and purchase agreement becomes binding and the sale is concluded. The date of the contract of sale becoming binding is referred to as the “effective date” or “anniversary date”. Depending on stamp duty rules stamp duty may be payable. If a contract is subsequently terminated a refund can be applied for.

The next step is to determine the amount of initial deposit required to be paid by the purchaser 155 to the vendor 105. In one form the initial deposit is a fixed sum determined independently of the purchase price, for example AU$30,000.

The technique involves the purchaser 155 then making regular instalment payments to the vendor 105 during the settlement period. For example a settlement period of 2 years will involve 1 instalment, 3 years will involve 2 instalments and so on. The number of instalments is calculated at least partly from the settlement period. In this example the number of instalments is one less than the number of years in the settlement period. These instalments are typically paid on the anniversary of the effective date during the settlement period. In this way these dates are determined at least partly from the effective date. A typical amount for each instalment is AU$10,000. As described above, the instalments could each be the same or different amounts.

The next step is to determine a new market value for the real estate as the settlement period comes to an end. In one form, 30 days prior to the settlement date, both the vendor 105 and the purchaser 155 again obtain independent market valuations. Upon
exchanging valuations, if the valuation of the purchaser 155 is at least 90% of the valuation of the vendor 105, then the new market value is determined to be the median point between the two valuations.

If the valuation prepared by the purchaser 155 is less than 90% of the valuation prepared by the vendor 105, it is anticipated that the vendor 105 and purchaser 155 within 10 working days appoint a third valuer who shall be empowered to set the revised valuation figure for the sale and purchase of the property. If both the vendor and purchaser cannot agree on a third valuer, then a professional person such as the President of the Real Estate Institute of [Australia] appoints a third valuer and the valuation price determined by that third valuer is final and binding on both parties. It is envisaged that the cost of appointing the third valuer is shared equally between the vendor 105 and the purchaser 155.

A capital growth value is calculated at least partly from the new market value and the purchase price. The simplest form of this is that the purchase price is deducted from the new market value as follows:

\[ capital \ growth = new \ market \ value - purchase \ price \]  
\[
\text{(1)}
\]

If the new market value is less than the purchase price then the capital growth figure is zero.

The next step is then to calculate a balance payment at least partly from the capital growth value. A predefined percentage, namely fifty percent of the capital growth, is deducted from the new market value. The final purchase price is typically calculated by:

\[ final \ purchase \ price = new \ market \ value - \left( capital \ growth \times \frac{5}{10} \right) \]  
\[
\text{(2)}
\]

The balance payment is then calculated by deducting the deposit and instalments already paid by the purchaser to the vendor from the final purchase price:
The purchaser 155 is then recorded as proprietor of the real estate in the computer system 110. The date of recordal is determined at least partly from the effective date and the settlement period. The date of recordal is usually a short period for example 5 days following the end of the settlement period. The settlement period as described above extends from the effective date of the sale and purchase.

The following table illustrates calculations in a typical case. It is assumed that the purchase price is AU$400,000. In the bolded column the vendor 105 has chosen a settlement period of 10 years meaning that the vendor 105 receives 9 deposit instalment payments. The amount of the deposit is $30,000. The amount of each instalment is $10,000.

To calculate a final purchase price from the new market value of $918,664, 50% of the capital growth is deducted leaving $659,332. To calculate the balance payment from the purchaser to the vendor on settlement from the final purchase price of $659,332, the deposit paid and instalments paid are deducted equalling $539,332. The purchaser 155 then transfers this balance payment to the vendor 105.
### Table 1 – Calculation of Balance Payment

<table>
<thead>
<tr>
<th>Settlement period</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit amount paid $</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Number of Instalments</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Instalment Amount $</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>8.67% capital growth increase p/a $</td>
<td>72,367</td>
<td>113,321</td>
<td>157,826</td>
<td>206,189</td>
<td>258,746</td>
<td>315,859</td>
<td>377,924</td>
<td>445,370</td>
<td>518,664</td>
</tr>
<tr>
<td>New market value $</td>
<td>472,367</td>
<td>513,321</td>
<td>557,826</td>
<td>606,189</td>
<td>658,746</td>
<td>715,859</td>
<td>777,924</td>
<td>845,370</td>
<td>918,664</td>
</tr>
<tr>
<td>50% of Capital Growth $</td>
<td>36,183</td>
<td>56,660</td>
<td>78,913</td>
<td>103,095</td>
<td>129,373</td>
<td>157,930</td>
<td>188,962</td>
<td>222,685</td>
<td>259,332</td>
</tr>
<tr>
<td>Final Purchase Price $</td>
<td>436,183</td>
<td>456,660</td>
<td>478,913</td>
<td>503,095</td>
<td>529,373</td>
<td>557,930</td>
<td>588,962</td>
<td>622,685</td>
<td>659,332</td>
</tr>
<tr>
<td>Balance payment $</td>
<td>396,183</td>
<td>406,660</td>
<td>418,913</td>
<td>433,095</td>
<td>449,373</td>
<td>467,930</td>
<td>488,962</td>
<td>512,685</td>
<td>539,332</td>
</tr>
</tbody>
</table>

In one preferred form of the technique the contract of sale specifies a right exercisable by the vendor to rent the property from the purchaser following settlement. It is expected that if the vendor intends to exercise this right, the vendor does so prior to settlement. The vendor nominates a rental period with the purchaser as landlord. The vendor and purchaser enter into a fixed term residential tenancy agreement for a term of between 1 and 15 years for example 4 years.

In a further preferred form the contract of sale also specifies that the vendor not only has a right to rent the property for a fixed term, but has a further right or option to rent the property for further consecutive periods. These periods could be each the same duration as the first or previous rental period. Alternatively they could each be of different durations. It is envisaged that the right to rent be compliant with residential tenancy legislation in some Australian states that may impose terms and conditions on a residential lease of this nature.

There are several options available for determining a rental price for the property. In one form at the start of the tenancy the purchaser now in its role as landlord sets a rental cost based on a written report from a property management company selected by the purchaser. It is envisaged that there are dispute resolution procedures available. For
example, if the vendor 105 is not satisfied with the rental cost set by the purchaser 155, the vendor 105 obtains a further market rental valuation within 10 working days of the purchaser having obtained its market rental valuation. If there remains disagreement about the rental amount it is expected that both the vendor and the purchaser resolve the dispute in a recognised tribunal or through arbitration.

The contract of sale in another form further specifies that on settlement the vendor 105 agrees to deposit the total rent required to cover the initial rental period into an interest bearing bank account approved or nominated by the intermediary 160. Optionally, the contract of sale may specify that on settlement the vendor 105 also agrees to deposit the rent to cover at least one subsequent rental period, if applicable, into the interest bearing account. The vendor 105 then pays rent from this account to the purchaser 155.

The above methods in one form are at least partially computer implemented. The user enters data specific to the user and computer implemented techniques perform calculations based at least partly on the equations described above.

The following is an example of a preferred form user interface suitable for use by a vendor.
<table>
<thead>
<tr>
<th>Initial Purchase Price of Property</th>
<th>$10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Purchased</td>
<td>1966</td>
</tr>
<tr>
<td>Current Market Value</td>
<td>$400,000</td>
</tr>
<tr>
<td>Number of Years Owned</td>
<td></td>
</tr>
<tr>
<td>Historic Capital Growth Rate (per annum)</td>
<td>8.67%</td>
</tr>
<tr>
<td>Projected Capital Growth Rate</td>
<td></td>
</tr>
<tr>
<td>Current Age</td>
<td>70</td>
</tr>
<tr>
<td>Deferred Settlement Period</td>
<td>10</td>
</tr>
<tr>
<td>Initial Deposit</td>
<td></td>
</tr>
<tr>
<td>Instalment Amount Owed (incl GST)</td>
<td></td>
</tr>
<tr>
<td>Settlement Balance</td>
<td></td>
</tr>
<tr>
<td>Age at Settlement</td>
<td></td>
</tr>
<tr>
<td>Rental Term</td>
<td>15</td>
</tr>
<tr>
<td>Interest Rate (per annum)</td>
<td>6.50%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>19.5% - up to $36,000</td>
</tr>
<tr>
<td>Weekly Rent</td>
<td>$340</td>
</tr>
<tr>
<td>Rental Inflation (per annum)</td>
<td>2.50%</td>
</tr>
<tr>
<td>Rental Lump Sum Required</td>
<td></td>
</tr>
<tr>
<td>Age At End of Rental Term</td>
<td></td>
</tr>
<tr>
<td>Disposable Remaining Funds</td>
<td></td>
</tr>
</tbody>
</table>

The vendor enters the initial purchase price of their property, the year of purchase and the current market value. This establishes the historic capital growth per annum over the period owned by the current vendor. The vendor can then either use this figure in the projected capital growth rate or enter a new figure, ie 8.67% compounding per annum as described above.

The vendor enters the current age of the vendor and the desired deferred settlement period. There is a life expectancy annuity table provided in which a male and female can enter their current age to assist in planning an approximate rental term required.
The vendor also enters a personal tax rate applicable to the vendor.

The computer implemented techniques calculate an instalment amount using equation (1) above as a function of the deposit required and the number of instalments. The deposit is calculated according to Table 1 above.

The method then calculates the balance payment using equation (5) above.

The age of the vendor at settlement is calculated by the sum of the vendor’s current age and the deferred settlement period.

The user also enters the rental term. The rental term is one nominated by the vendor up to a maximum of 15 years with further rights of renewal. As described above, the rental terms could each be of different durations.

The vendor enters the current interest rate of interest on deposit. The technique then calculates the applicable tax rate and any stamp duties if applicable. Rental inflation defaults to 2.5% but can be overridden by the user in the same way as the capital growth rate above.

The user enters the weekly rent of the property calculated from the rental price described above.

The foregoing describes the invention including preferred forms thereof. Modifications and improvements as would be obvious to those skilled in the art are intended to be incorporated in the scope hereof as defined in the accompanying claims.
THE CLAIMS DEFINING THE INVENTION ARE AS FOLLOWS:

1. A method of effecting sale of real estate between a vendor and a purchaser, the vendor recorded as proprietor of the real estate in computer memory, the method comprising the steps of:

   effecting a contract of sale between the vendor and a legal entity other than the vendor, the contract of sale specifying a settlement period;

   assigning the interest in the contract of sale from the legal entity to the purchaser;

   determining a purchase price;

   determining a deposit;

   determining at least one instalment amount;

   determining an effective date for sale of the real estate, the settlement period extending from the effective date;

   transferring a plurality of instalments from the purchaser to the vendor during the settlement period on dates determined at least partly from the effective date;

   determining a new market value for the real estate;

   calculating a capital growth value at least partly from the new market value and the purchase price;

   calculating a balance payment;
recording the purchaser as proprietor of the real estate in computer memory on a date determined at least partly from the effective date and the settlement period; and

transferring the balance payment from the purchaser to the vendor on a date determined at least partly from the effective date and the settlement period.

2. The method of claim 1 wherein the contract of sale specifies a right exercisable by the vendor to enter into a rental agreement with the purchaser effective from the expiry of the settlement period.

3. The method of claim 2 wherein the rental agreement is effective for a rental period specified by the vendor.

4. The method of claim 3 wherein the rental period is in the range 1 to 15 years.

5. The method of claim 3 or claim 4 wherein the contract of sale specifies a right exercisable by the vendor to enter into further consecutive rental agreements.

6. The method of claim 5 wherein the further rental periods are each the same duration as the first rental period.

7. The method of claim 5 wherein the further rental periods are each the same duration as the previous rental period.

8. The method of claim 5 wherein the further rental periods are each of different durations.

9. The method of any one of the preceding claims wherein the step of determining the purchase price comprises the step of the vendor obtaining a written market valuation.

10. The method of any one of claims 1 to 8 wherein the step of determining the purchase price comprises the step of the vendor specifying a purchase price.
11. The method of claim 9 or claim 10 wherein the purchase price is specified in the contract of sale, the method including the step of determining the purchase price from the contract of sale.

12. The method of any one of claims 9 to 11 wherein the step of determining the purchase price further comprises the step of the purchaser obtaining a written market valuation.

13. The method of any one of claims 9 to 11 further comprising the step of the purchaser specifying a purchase price.

14. The method of claim 12 or claim 13 further comprising the step of determining a purchase price at least partly from the purchase price determined by the vendor and the purchase price determined by the purchaser.

15. The method of any one of the preceding claims wherein the settlement period is in the range of two to ten years.

16. The method of any one of the preceding claims wherein the effective date for sale of the real estate is the date of conclusion of the contract of sale.

17. The method of any one of the preceding claims wherein the dates for transferring the plurality of instalments comprise the anniversaries of the effective date.

18. The method of any one of the preceding claims further comprising determining two instalment amounts, the instalment amounts different to each other.

19. The method of any one of claims 1 to 17 further comprising determining three or more instalment amounts, at least two of the instalment amounts different to each other.
20. The method of any one of the preceding claims wherein the step of determining the new market value for the real estate comprises the step of the vendor obtaining a written market valuation.

21. The method of claim 20 wherein the step of determining the new market value for the real estate further comprises the step of the purchaser obtaining a written market valuation.

22. The method of claim 21 comprising the step of determining the new market value for the real estate based at least partly on the new market value obtained by the vendor and the new market value obtained by the purchaser.

23. The method of any one of the preceding claims wherein the step of calculating the capital growth value comprises the step of deducting the purchase price from the new market value.

24. The method of any one of the preceding claims further comprising the step of the purchaser recording a caveat in computer memory against the property.

25. The method of any one of the preceding claims further comprising the step of the purchaser recording a mortgage in computer memory against the property.

26. A method of effecting sale of real estate between a vendor and a purchaser, the vendor recorded as proprietor of the real estate in computer memory, the method comprising the steps of:

   effecting a contract of sale between the vendor and the purchaser, the contract of sale specifying a settlement period;

   determining a purchase price;

   determining a deposit;
determining an instalment amount;

determining an effective date for sale of the real estate, the settlement period extending from the effective date;

transferring a plurality of instalments from the purchaser to the vendor during the settlement period on dates determined at least partly from the effective date;

determining a new market value for the real estate;

calculating a capital growth value at least partly from the new market value and the purchase price;

calculating a balance payment;

recording the purchaser as proprietor of the real estate in computer memory on a date determined at least partly from the effective date and the settlement period; and

transferring the balance payment from the purchaser to the vendor on a date determined at least partly from the effective date and the settlement period.

27. A method of effecting sale of real estate between a vendor and a purchaser, substantially as herein described with reference to the accompanying figure.