



LAND SALES AND OTHER LEGISLATION AMENDMENT ACT 2014 PASSED BY PARLIAMENT

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THE DEVELOPMENT AND REAL ESTATE INDUSTRIES HAVE WELCOMED THE PASSING OF THE *LAND SALES AND OTHER LEGISLATION AMENDMENT ACT 2014* (“**THE ACT**”) BY PARLIAMENT WITH AMENDMENT ON 9 SEPTEMBER 2014.

The Act amends the *Land Sales Act 1984* (Qld) (“**LSA**”), the *Body Corporate and Community Management Act 1997* (Qld) (“**BCCMA**”) and instalment contract provisions in the *Property Law Act 1974* (Qld) (“**PLA**”) with the aim to significantly cut down red tape for the sale of off-the-plan lots. This will be of significant benefit to property developers.

In a recent media release the Attorney-General and Minister for Justice, Jarrod Bleijie, noted “these reforms will make Queensland an even more attractive place to live and work by promoting growth and investment, which in turn creates opportunities for Queenslanders”.

WHAT YOU NEED TO KNOW

1. Amendments to the LSA

- The Act transfers the disclosure requirements for proposed community title scheme lots to the BCCMA. This alignment means that Buyers can no longer terminate based on the existing ‘significant variation test’ but instead only where material prejudice is demonstrated.
- The Act requires the Seller to provide a further statement to the Buyer at least 21 days before settlement if the disclosure plan is inaccurate.
- The Seller must provide a plain English explanation of any variations.
- The onus is on the Buyer to show that any variation materially prejudices them.

2. Amendments to the BCCMA

- A Buyer will now have 21 days to terminate a Contract if they are materially prejudiced as a result of a variation.
- All offences relating to disclosure statements have been removed.

- . Only one disclosure statement will have to be provided to Buyers under an Option Contract if the Buyer remains the same.
- . The Seller can nominate a 5½ year sunset date.

3. Amendments to the PLA

- . For contracts entered into after the Act commences, deposits of up to 20% of the purchase price are permitted before the instalment contract provisions are triggered.
- . If a deposit is forfeited because of a Buyer breach of contract, the Seller may retain the deposit of up to 20%.

WHERE TO FROM HERE?

It is expected that the Act will commence shortly. We will provide you with an update once the commencement date of the Act is announced.

In the meantime, it is important that professionals involved in property transactions understand the new requirements and prepare for the commencement of the Act.

FOR MORE INFORMATION, PLEASE CONTACT:



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