



Off-the-Plan Contracts

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Off-the-Plan Contracts

With the construction industry impacted last year with Covid-19 and the ongoing delays to registrations within the NSW Land Registry Services with the majority of their employees working remotely, we are expecting that a great deal of newly registered off-the-plan contracts will be settling in the coming months – together with the steady increase in further development contracts to be issued.

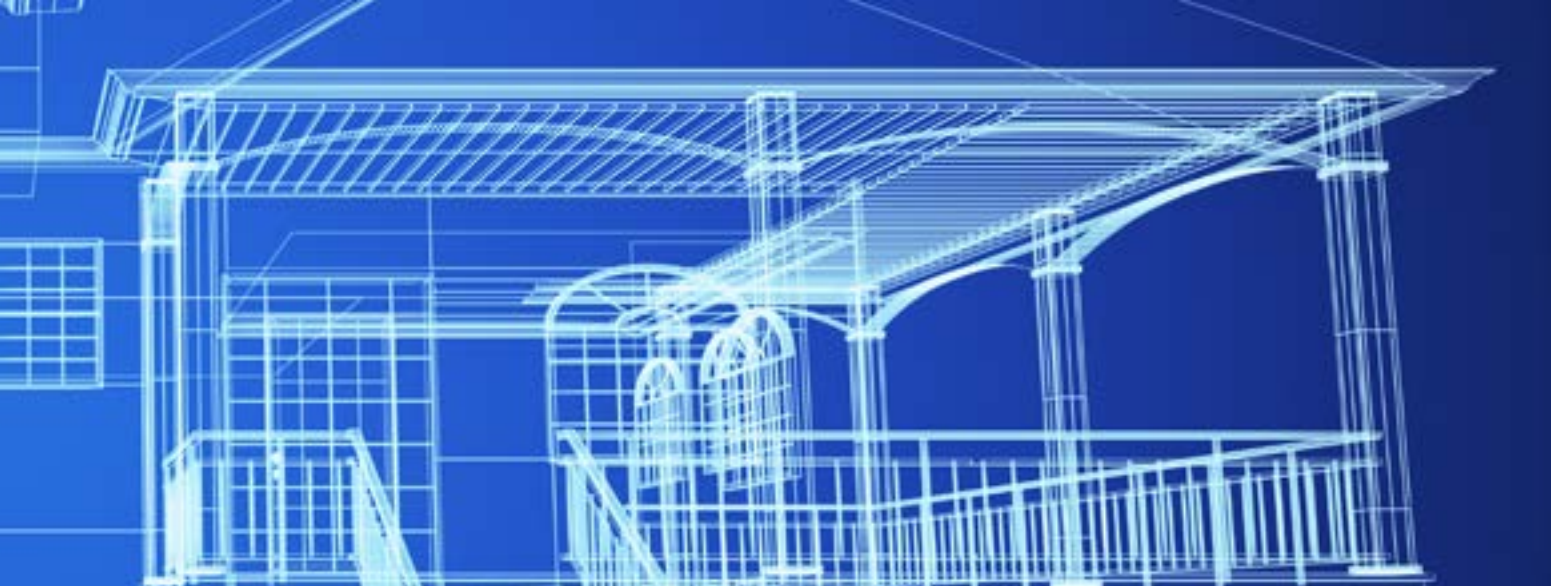
As such, it is a timely reminder about the requirements for a contract for off-the-plan sales, so that you as the agent are able to ensure that you have a complete contract at the point of sale. If you do not have a complete contract, the purchaser is able to withdraw from the contract without penalty up to 14 days after they have signed - which puts you back to square one in having to resell the property.

Vendors are required to attach a new

Disclosure Statement to the contract that outlines key information, including sunset dates and other conditional events. The Disclosure Statement must include a draft plan, prepared by a registered surveyor.

Vendors are also required to notify any changes to 'material particulars'. The laws require vendors to notify purchasers of changes that make what was disclosed inaccurate in a 'material particular'. These are changes that will adversely affect the use or enjoyment of the lot being sold, and may include changes to:

- ◇ the draft plan
- ◇ by-laws
- ◇ schedule of finishes
- ◇ easements or covenants
- ◇ a strata management statement or building management statement
- ◇ a management statement for a community, precinct or neighbourhood scheme
- ◇ a development contract or strata development contract.



On a procedural basis it is also important to remember that there are a couple of additional restrictions for off-the-plan sales that regular sales do not have:

- ◇ The cooling off period for an off-the-plan contract is ten (10) business days as opposed to five (5) business days for other residential sales; and
- ◇ Any money paid by the purchaser by way of deposit or instalment under the contract must be retained by the stakeholder in a trust or controlled money account during the contract period. These monies cannot be released to the vendor before settlement

So if you are selling any off-the-plan properties, make sure that you are fully cognisant of the contents of the Sales Contract and also what disclosures are required in relation to the specific property that you are selling.

Rosy Sullivan

Director | College Principal

From the office

It's been a busy fortnight here at ACOP as we move into the property CPD time of the year. With the deadline of 22 March looming, our trainers are travelling throughout regional and metropolitan NSW conducting CPD for Class 1 and Class 2 agents. And then there's the licensing modules that Assistant Agents need to complete by the same March deadline. Busy – AND loving it.

There is excitement on a daily basis in the ACOP office at Town Hall in the Sydney CBD, as we have expanded our premises to accommodate some new training rooms, with plenty of room for super-social-distancing. There is still some fit-out work to be done, but the new training rooms are being extremely well received by students and the ACOP alike. The new technology and fresh facilities makes the transition into 2022 very motivating.

Here in the office, we've had no birthdays in the last fortnight, but Rosy and John celebrated their wedding anniversary and took the opportunity to use their voucher that the team gave them for Christmas (pre Covid) and take a few days away at Bannisters down in Mollymook. The office survived without them being here and Mollymook survived their visit as well. Naturally, Rosy tied their little break in with some CPD training in Bateman's Bay afterwards – we wouldn't expect anything less.

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