

UNIT TITLES ACT 2010

The Unit Titles Act 2010 regime creates a new raft of obligations for sellers of unit title properties. The Act came into force on 20 June 2011 and is designed to protect buyers by ensuring they are adequately informed about the unit title property before they commit to a purchase. Sellers and buyers of unit title properties need to be aware of the implications of the Act.

Sellers

Sellers are obliged to provide disclosure to buyers before an agreement is signed and again within five working days of settlement of the sale of any unit title property. Buyers have the right to request additional disclosure be made between the pre-contract and pre-settlement disclosure. Sellers must provide disclosure in an appropriate form. Failure to provide pre-settlement disclosure may result in the Agreement for Sale and Purchase being cancelled (even if the agreement has already been made unconditional).

Buyers

Buyers are entitled to receive disclosure from a seller prior to signing an agreement. If disclosure is not provided prior to an agreement being signed, a buyer may have a right to cancel the agreement. Buyers can request additional disclosure immediately following an agreement being signed. The time frames for requesting this disclosure are critical and set by the new Act. We recommend that buyers request additional disclosure and the Agreement be conditional upon the buyer's review and approval of the additional disclosure. A buyer is entitled to receive a pre-settlement disclosure five working days prior to settlement from the seller and can defer settlement until the fifth working day after pre-settlement disclosure is made. If pre-settlement disclosure is not made in time, the Act enables a buyer to cancel the agreement once a relevant notice period has been given.

Summary

Whether you are buying or selling a unit title property, we always recommend that you obtain legal advice prior to signing any Agreement for Sale and Purchase.