



What is a Cooling Off Period?

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Many developers often offer purchasers of property a rebate for undertaking certain works after completion, such as landscaping and complying with design guidelines which improves the quality and amenity of the subdivision. These rebates do not raise fraudulent concerns.

However, some rebates are for a significant portion of the purchase price. For example, rebates relieving the purchaser of the obligation to pay a deposit. In *Miro v Fu Pty Ltd [2003] NSWSC 1009* the Court observed that it was “this type of clause is quite improper. It can be inserted for no purpose other than to mislead persons such as lending authorities and purchasers of other units in the development”.

A contract providing a false contract price is a fraud on the Chief Commissioner for Stamp Duties.

Whether a rebate raises fraudulent concerns depends on the purpose of the rebate.

Parties who participate in contract price rebates may expose themselves to litigation notwithstanding being oblivious to the misleading and deceptive conduct.

Rebates should be fully disclosed in a Contract for the Sale of Land.

If you have any questions regarding contract price rebates you should contact our specialists at Matthews Folbigg.

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