



NEW! Off the Plan Sale of Land Changes

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What is an Off the Plan sale?

In simple terms, this is where a developer wishes to sell a portion of land (usually called a 'lot') to a purchaser before the land has been sub-divided.

A typical example is where a developer takes a large piece of land that they want to build houses or units on and sells those dwellings before the dwellings are fully built and before the pieces of land are sub-divided into individual lots.

Sunset Dates

Normally, an off the plan contract has a sunset date by which the developer must register the required plan of sub-division failing which either party has the right to end the contract (and the purchaser receives a refund of their deposit).

Exploitation

Some developers have been accused of exploiting this right to end the contract by allowing the sunset date to intentionally expire so they can end the contract and sell the lot to a new buyer for a higher price.

New Laws

As from **2 November 2015**, developers are now **prohibited** from relying on sunset clauses to unreasonably end an off the plan contract for **residential property**.

In essence, if a developer wishes to end a contract on the basis that the sunset date has passed, the new laws are:

- (1) a developer **must** give a purchaser a written notice that:
 - (a) is given at least 28 days' before they intend to end the contract
 - (b) specifies the reasons for the delay in the project
 - (c) explains to the purchaser why they are ending the contract
- (2) a developer **must** either:



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- (a) obtain the purchaser's written consent to end the contract after giving the written notice mentioned above
 - (b) obtain an order from the Supreme Court of NSW allowing them to end the contract
 - (c) have a reason that is permissible under the relevant Conveyancing Regulations for ending the contract

If you would like more information or advice on off the plan contracts, please contact our Property Team on 9635 7966.

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