

Media Release

The Hon Marlene Kairouz MP
Minister for Consumer Affairs,
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Minister for Suburban Development



**DELIVERING
FOR ALL VICTORIANS**

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THE SUN SETS ON DODGY DEVELOPERS AND LANDBANKERS

The Andrews Labor Government is protecting Victorians buying property off-the-plan from delay tactics used by some property developers to rip people off.

Changes to sunset clauses under the *Sale of Land Amendment Bill 2019* will mean developers can only exercise a sunset clause with written consent from the buyer, or by an order of the Supreme Court of Victoria.

Off-the-plan contracts commonly include a sunset clause provision that allows a vendor – typically a professional developer – to terminate the contract where the plan of subdivision has not been registered by a specified date.

Developers can exploit the sunset clauses by deliberately delaying completing construction of their project, in order to terminate signed contracts of sale, and re-sell the property at a higher price.

The *Sale of Land Amendment Bill 2019* will also:

- prohibit public auctions of land before 1pm on Anzac Day, bringing the industry into line with the standard restricted business hours for the day
- strengthen the existing requirement for vendors or real estate agents to disclose material facts about a property, and enable guidelines to detail what a material fact is likely to be (for example, a property's past history as a clandestine drug laboratory or the site of a homicide)
- introduce greater protections for people who purchase options to buy land as part of a land banking scheme, including requiring money paid for options to be held in a trust
- prohibit certain terms contracts and rent-to-buy arrangements, with significant fines and potential jail time for vendors and third-party intermediaries to act as a strong deterrent.

The changes implement key outcomes of the Consumer Property Law Review's examination of the *Sale of Land Act 1962*.

The new laws on sunset clauses will be backdated to 23 August 2018 to ensure Victorians are protected from when this legislation was first announced and to any existing and future off-the-plan contracts.

Further reforms to the Act and reforms to the remaining Acts examined as part of the Review – the *Owners Corporations Act 2006*, *Estate Agents Act 1980* and *Conveyancers Act 2006* – are still under active consideration and we'll have more to say in coming months.

Quotes attributable to Minister for Consumer Affairs Marlene Kairouz

"We're taking action to make sure that Victorians aren't being ripped off by dodgy developers – the days of misusing sunset clauses to make super profits are over."

"Families looking to buy also deserve to know whether a property was previously the site of a drug lab or a murder scene, and we're ensuring that vendors and real estate agents disclose these important facts."

"This is about improving consumer protections and restoring balance so that hard-working families can enter the property market with confidence."

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