

## Warning statement

*Property Agents and Motor Dealers Act 2000*

This form is effective from 1 July 2009

The contract attached to this warning is subject to a five day cooling-off period.

**Notice to agent:** This warning statement must be:

- attached to the **FRONT** of a contract for sale of residential property (vacant land or land and already existing house) and;
- signed by the buyer **BEFORE** the attached contract is signed.

If this is not done, the buyer may terminate the contract.

# WARNING

**Do NOT sign** the attached contract without reading and understanding this warning.

**Do not sign** if you feel pressured.

**You should obtain independent legal advice  
and an independent valuation of the property**

Before signing or during the five day cooling-off period the Office of Fair Trading strongly recommends you:

- contact the Queensland Law Society on 07 3842 5842 or [www.qls.com.au](http://www.qls.com.au) for advice on finding a solicitor.
- contact the Australian Property Institute on 07 3832 3139 or [www.propertyinstitute.com.au](http://www.propertyinstitute.com.au) or the Valuers Registration Board on 07 3221 3892 or [www.valuersboard.qld.gov.au](http://www.valuersboard.qld.gov.au) to find a suitable valuer.
- arrange a search for the property's sales history from your local Department of Environment and Resource Management on 07 3227 6626, or for a map of latest sales [www.nrw.qld.gov.au](http://www.nrw.qld.gov.au).

### House and land package buyers:

Is the building contract fairly valued? Seek quotes from several different builders (see note on page 2).

### STOP!!

Before signing this form or the contract have you read and understood the information about your rights?



### Buyer(s):

I/we have read this warning statement and the important information over the page.

First names ..... First names .....

Last name ..... Last name .....

Signature ..... Signature .....

Date   /   /

Date   /   /

### **Independent legal advice**

Do you fully understand the legal consequences of signing this contract? Are you sure the advice you've been given is totally independent? Before signing the contract, the Office of Fair Trading strongly recommends you seek independent legal advice and clarify any queries or concerns you have about buying the property. Exercise extreme caution in accepting the advice of anyone referred to you by the seller or his/her agent.

If you engage *any* lawyer in relation to purchasing the property, they must give you a certificate about their independence from the seller or anyone else included in the sale, and about benefits the lawyer expects to receive from the sale.

### **Valuation of property**

Are you sure the purchase price is fair? Before the cooling-off period expires seek independent advice from a registered valuer. Ask the valuer if they have Professional Indemnity Insurance, have a relationship with any person involved with the property you're buying, and about the valuation cost.

Further information on how to deal with valuers is available on [www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au) (search 'valuations').

### **Building contracts**

For building contracts associated with the purchase of residential property.

- Domestic building contracts have a cooling-off period (Section 72 of the *Domestic Building Contracts Act 2000*. Please refer to the Building Services Authority of Queensland for further information on building contracts). Ensure that if you exercise your cooling-off right under the residential property contract that you also give written notice to terminate the building contract.
- Ensure that the building contract price is not over valued or inflated. Get a valuation or compare homes of similar value advertised or displayed by other home builders.

### **What is a cooling-off period?**

You can change your mind about purchasing a property during a 5 day cooling-off period. Use this time to seek independent legal advice and an independent valuation of the property.

### **When does the cooling-off period start?**

It begins on the day you are bound by the attached contract.

Both the buyer and the seller are bound by the contract as soon as the buyer or their agent, lawyer or personal representative receives a copy of the signed contract.

In any dispute concerning the commencement of the cooling-off period, it will be up to the seller to prove the buyer received a copy of the contract.

**Note:** If the buyer is bound by the contract on a day other than a business day, the cooling-off period commences on the first business day after the day the buyer is bound by the contract.

### **When does the cooling-off period end?**

It ends at 5:00 pm on the fifth business day after the cooling-off period started.

### **What is a business day?**

It is a day other than a Saturday, Sunday or a public holiday.

### **Can I waive or shorten the cooling-off period?**

You may, but only by obtaining a lawyer's certificate from your solicitor. If you waive the cooling-off period you will be bound by the contract from that time, subject to the terms of the contract.

### **How do I terminate the contract during the cooling-off period?**

At any time before the end of the fifth day cooling-off period give a signed and dated notice to the seller or the seller's agent indicating that you wish to terminate the contract.

### **Will I lose my deposit if I terminate the contract during the cooling-off period?**

The seller must refund your deposit within 14 days of termination of the contract but may deduct a termination penalty equal to 0.25% of the purchase price.

### **What happens after the cooling-off period ends?**

You are legally bound to buy the property, subject to the terms in the contract. Make sure you're happy with all of the terms in the contract before you sign it and before the cooling-off period ends.

### **Claim fund**

A Claim Fund exists which, in some cases, enables a buyer who suffers financial loss as a result of dealing with a real estate agent to make a claim. Strict guidelines apply. If you suffer financial loss because of buying an investment property or buying residential property directly from a property developer you **CANNOT** make a claim for compensation against the Fund. There are restrictions on claims made due to property marketeering.

### **How do I know if I'm dealing with a licensed real estate agent or property developer?**

The Office of Fair Trading can help you to identify if the person you are dealing with is a licensed real estate agent, property developer or a registered salesperson of one.

Ask the person you are dealing with for proof of their licence or registration.

### **Further information:**

Contact [www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au) or your nearest Office of Fair Trading on 13 13 04.