



LEGAL MATTERS

Cassab & Associates Solicitors E-Newsletter
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WELCOME to our new Cassab & Associates E-Newsletter! We hope that these E-Newsletters can provide you with information and law updates in the property and business area. We welcome any feedback you may have and encourage you to forward this on to your family and friends!

New Year, New Laws! First Home Owners Grant: \$15,000 → \$10,000

As we ring in the New Year, the Government has made some changes that will affect first home buyers in NSW who may be eligible under the first home owners grant

scheme. From the 1st of January, 2016 the previously \$15,000 grant has been reduced to \$10,000 on contracts signed after this date. To find out if your property is

eligible, you can visit the Office of State Revenue website or, alternatively, come in and talk to us about it! We welcome any enquiries you may have!

MAKING HEADLINES!!

Off-the-plan buyers and developers... Beware??

Buyers purchasing off-the-plan properties have often been warned of the inherent associated risks. The NSW Supreme Court case of **Wang v Kaymet Corporation** decided in October 2015 highlighted some of those risks. In this case, buyers who had purchased off-the-plan apartments in Wollie Creek sued the developers for rescinding their contracts after draft Strata Documents weren't registered before the sunset date set out in the contract. The court found that the developers were within their rights to have rescinded the contracts.

The main problem for buyers was that property prices had risen significantly since the time the buyers had first signed their contracts to purchase the units. Buyers who had thought they had secured the purchase of a property now faced the prospect of having to search for a new property at a time when property prices were much higher. Many buyers were left disappointed.

For buyers, this case highlights the importance of understanding the full extent of a contract before purchasing an off-the-plan property. For developers, this case highlighted how sunset clauses were used to their advantage.

Following on from the case of Wang v Kaymet Corporation there was a major public outcry for the government to take steps to protect buyers against developers that abused their market powers. The Government has responded and effective from 17

November, 2015, new laws were passed restricting developer's rights to rescind a contract following the expiration of the sunset clause period.

Traditionally, a sunset clause was a deadline for the registration of plans or certificates after which, if not registered, both vendors and purchasers could rescind a contract.

While, a purchaser's ability to rescind has remained unchanged, developers will now be required to follow stringent processes before being entitled to rescind a contract of sale under a sunset clause. The developer must either: obtain the purchasers consent; or obtain an order from the Supreme Court authorising the rescission; or if the rescission is authorised pursuant to Parliament regulations. At this time no regulations have been passed in this regard.

These new laws will apply to all new contracts and any existing contracts which haven't yet passed the sunset date.

If you are a buyer or developer of an off-the-plan property, or if you are looking at buying or developing an off-the-plan property, feel free to come in and see us! We can talk you through the legal jargon and explain how these new laws may impact you!



Our door is always open to talk about these issues!

Come and visit, give us a call or send us an email! We love hearing from you!

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