Pre-contractual disclosure statement to the buyer

Jurisdiction:

State of Western Australia

Legislation:

*Transfer of Land Act 1893*

*Community Titles Act 2018*

This form sets out the *compulsory* information requirements from Section 130 of the *Community Titles Act 2018* (CTA), that the seller must give a buyer **before** a buyer signs a contract for the sale and purchase of a lot in a community titles scheme (lot). The form is in 2 parts. PART 1 details information about the seller, community titles scheme, and lot. PART 2 contains a Buyer’s guide which explains:

* why the information disclosed in this form is important to the buyer;
* information about notifiable variations that the seller must disclose to the buyer; and
* the buyer’s rights under the CTA to avoid the contract in certain circumstances.

Additional attachments provided by the seller become part of this form.

Sellers are advised to review the [*Seller’s guide*](https://www0.landgate.wa.gov.au/__data/assets/pdf_file/0004/91309/Community-Title-Scheme-Sellers-Guide-Information-Obligations-for-the-Seller.pdf)for explanations of their information obligations to buyers under the CTA, and the consequences of any failure to provide this information.

**PART 1**

**Seller information**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **The seller** | | | | |  |
| Name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |  |
| Address | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |  |
| Telephone/mobile | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Email | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |  |
| Address | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |  |
| Telephone/mobile | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Email | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Seller’s representative** | | | |  |
| Name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |  |
| Firm name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |  |
| Address | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |  |
| Telephone/mobile | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Email | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

**Scheme information**

|  |  |  |
| --- | --- | --- |
| Scheme number [[1]](#footnote-1) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| The status of the scheme is[[2]](#footnote-2):  proposed  registered | The scheme type is[[3]](#footnote-3):  community titles (building) scheme  community titles (land) scheme |  |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Select applicable tier of the community titles scheme [[4]](#footnote-4): | | | | | | |  | Tier 1 |  | Tier 2 |  | Tier 3 | | | |  |

*For any attachments, please include the attachment number in the column titled ‘***Att**.*’ on the right-hand side of this document.*

|  |  |
| --- | --- |
|  | **Att.** |

**Community development statement**

|  |  |
| --- | --- |
| A copy of the community development statement (CDS) if there is one in force[[5]](#footnote-5) | \_\_\_\_\_ |

**Scheme documents for the community titles scheme to which the lot belongs (Lot’s scheme)[[6]](#footnote-6)**

|  |  |
| --- | --- |
| * A copy of the scheme by-laws | \_\_\_\_\_ |
| * A copy of any scheme by-laws made but not yet registered by the Registrar of Titles at Landgate | \_\_\_\_\_ |
| * Scheme notice | \_\_\_\_\_ |
| * Scheme plan, showing exact location and definition of the lot (boundaries of the lot) | \_\_\_\_\_ |
| * Schedule of unit entitlements, showing the unit entitlement of the lot *and* sum of the unit entitlements of all the lots and tier parcels in the Lot’s scheme | \_\_\_\_\_ |

|  |  |
| --- | --- |
| **Minutes (choose one option)** |  |
| A copy of the minutes of the most recent annual general meeting and any subsequent extraordinary general meeting(s) of the community corporation for the Lot’s scheme | \_\_\_\_\_ |
| A statement of why the seller has been unable to obtain the minutes | \_\_\_\_\_ |
|  |  |
| Additional comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

|  |  |
| --- | --- |
| **Statement of accounts (choose one option)** |  |
| The statement of accounts last prepared by the community corporation for the Lot’s scheme | \_\_\_\_\_ |
| A statement of why the seller has been unable to obtain a statement of accounts | \_\_\_\_\_ |
| Additional comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

**Scheme documents for the tier 1 community titles scheme to which the Lot’s scheme belongs *if the Lot’s scheme is a tier 2 or tier 3 scheme[[7]](#footnote-7)***

|  |  |
| --- | --- |
| OR “Not applicable (N/A)” | \_\_\_\_\_ |
| * A copy of the scheme by-laws | \_\_\_\_\_ |
| * A copy of any scheme by-laws made but not yet registered by the Registrar of Titles at Landgate | \_\_\_\_\_ |
| * Scheme notice | \_\_\_\_\_ |
| * Scheme plan | \_\_\_\_\_ |
| * Schedule of unit entitlements | \_\_\_\_\_ |

**Scheme documents for the tier 2 community titles scheme to which the Lot’s scheme belongs *if the Lot’s scheme is a tier 3 scheme[[8]](#footnote-8)***

|  |  |  |
| --- | --- | --- |
| OR “Not applicable (N/A)” | | \_\_\_\_\_ |
| * A copy of the scheme by-laws | | \_\_\_\_\_ |
| * A copy of any scheme by-laws made but not yet registered by the Registrar of Titles at Landgate | | \_\_\_\_\_ |
| * Scheme notice | | \_\_\_\_\_ |
| * Scheme plan | | \_\_\_\_\_ |
| * Schedule of unit entitlements | | \_\_\_\_\_ |
|  | |  |
| **Lot information (choose all that apply)** | |  | | |
| The lot is on a registered scheme plan  The lot has not yet been created |  | |
| Street address of the lot (if known) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | |
| Lot \_\_\_\_\_ on scheme plan no.\_\_\_\_\_ |  | |

**Voting right restrictions**

Does the contract for sale and purchase of the lot contain any provision that results in the buyer losing a right to vote as an owner of a lot in the Lot’s scheme, or that restricts the right to vote, e.g. if the contract for sale and purchase of the lot requires the buyer to grant an enduring proxy or power of attorney to the seller  no  yes

If yes, describe the restriction \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Contributions payable by the lot owner (choose one option)**

*(Local government rates are payable by the lot owner in addition to the contributions)*

Contributions determined by the community corporation within the previous 12 months

If not determined, a reasonable estimate of contributions likely to be payable for 12 months following proposed settlement date

If the lot has not yet been created, a reasonable estimate of contributions for 12 months following the proposed settlement date

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Actual contribution ($)** | | **OR** | **Estimated contribution ($) for 12 months following proposed settlement date** | | **Att** |
| Administrative fund: | \_\_\_\_\_ |  | Administrative fund: | \_\_\_\_\_ |  |
| Reserve fund: | \_\_\_\_\_ |  | Reserve fund: | \_\_\_\_\_ |  |
| Other (attach details) | \_\_\_\_\_ |  | Other (attach details) | \_\_\_\_\_ |  |
|  |  |  |  |  | \_\_\_\_\_ |
| **Total** contribution for the lot | \_\_\_\_\_ |  | **Total** estimated contribution for the lot | \_\_\_\_\_ |  |

Payable:  annually  bi-annually  quarterly  other: \_\_\_\_\_

|  |  |  |  |
| --- | --- | --- | --- |
| **Due dates** | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ |
|  | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ |
|  | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ |
|  | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ | \_\_\_\_/\_\_\_\_/\_\_\_\_ |

**Contributions/other debt owing**

|  |  |  |  |
| --- | --- | --- | --- |
| * If the seller has a debt owing to the community corporation, the total amount owing is |  | **$**\_\_\_\_\_ | |
| * If the seller has a debt owing to a utility company, the total amount owing is |  | **$**\_\_\_\_\_ | |
| * [[9]](#footnote-9)If the seller has a debt owing to a community corporation of a scheme to which the Lot’s scheme belongs, [[10]](#footnote-10)or to which the Lot’s scheme is related, the total amount owing is |  | **$**\_\_\_\_\_ | |
|  | | |  | |  |
| Provide details of who the debt is owed to, how the debt arose, date on which it arose and the amount outstanding in an attachment. | | | \_\_\_\_\_ | | |
| Additional comments:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | | | | | |

**Exclusive use by-laws**

|  |  |  |  |
| --- | --- | --- | --- |
| The lot is a ‘special lot’, subject to exclusive use by-laws giving exclusive use of an area of common property | no  yes | | \_\_\_\_\_ |
| If yes, please give details: ­­­­­­­­­­­ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | |  | |

**Lease, licence, exclusive right or use and enjoyment or special privilege over common property**

Are there any current or proposed leases, licences, right of exclusive use and enjoyment, or special privilege over common property:

|  |  |  |
| --- | --- | --- |
| * in the Lot’s scheme? |  | no  yes |
| * in a related[[11]](#footnote-11) community titles scheme? |  | no  yes |

|  |  |
| --- | --- |
| If ‘yes’, attach details including terms and conditions.  If the lot has not yet been created give details of any reasonable expectation about leases, licences, right of exclusive use and enjoyment, or special privilege over common property. | \_\_\_\_\_ |
| Additional comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

**Community corporation information**

The name and address for service of the community corporation for the Lot’s scheme is set out in the Scheme notice for the Lot’s scheme (for applying to the community corporation under CTA section 94 to obtaina certificate under CTA section 97, or to inspect records of the community corporation under CTA section 96).

Provide the following details, in an attachment, for the community corporations for each related community titles scheme[[12]](#footnote-12) \_\_\_\_\_

* Scheme number:
* Name of community corporation
* Address for service of community corporation:
* Scheme manager name:
* Contact details**:** Telephone/mobile, and email

**Termination proposal**

Provide a copy of any notice received by the seller of *any* current termination proposal to:

|  |  |
| --- | --- |
| * terminate the Lot’s scheme | \_\_\_\_\_ |
| * terminate any other community titles scheme in the community scheme | \_\_\_\_\_ |

**Original subdivision owner - specific information**

The original subdivision owner for a subdivision is defined in CTA section 3(1) as the person who owns, will own or owned the lots in a community titles scheme when first created on a subdivision of land given effect by registration of the scheme or an amendment of the scheme.

The additional information below must be provided to the buyer *if* the seller of the lot is the original subdivision owner, *and* any of the following circumstances apply:

* The Lot’s scheme has not been registered; or
* The first annual general meeting of the community corporation for the Lot’s scheme has not been held; or
* The seller owns lots in the Lot’s scheme with an aggregate unit entitlement of 50% or more; or
* the relative unit entitlement of a tier parcel in the Lot’s scheme is 50% or more, and the seller owns lots in the community titles scheme of that tier parcel with an aggregate relative unit entitlement of 50% or more; or
* The seller otherwise controls 50% or more of the voting power of members of the community corporation for the Lot’s scheme.

**Statement of estimated income and expenditure**

|  |  |  |
| --- | --- | --- |
| A statement of the estimated income and expenditure of the community corporation for the Lot’s scheme for 12 months after the proposed settlement date. | \_\_\_\_\_ | |
| Additional comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |

**Section 67 disclosure of remuneration and other benefits**

* Has the seller and/or their associate received or reasonably expects to receive remuneration or other benefit arising out of a contract for services or amenities to the community corporation or members of the community corporation entered into or arranged by the seller or the community corporation, any other contract that binds the community corporation, or a lease or licence of the common property of the community titles scheme?  no  yes

OR

* Is there any other direct or indirect pecuniary interest the seller and/or their associate has in the contract, lease or licence other than as a member of the community corporation for the Lot’s scheme?  no  yes

|  |  |
| --- | --- |
| If yes to either of the above, attach details of any remuneration, other benefit and/or pecuniary interest disclosed in accordance with CTA section 67, including its value. | \_\_\_\_\_ |
| Additional comments: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | | |

**Contracts for services or amenities**

Are there any current or proposed contracts for the provision of any services or amenities to the community corporation of the Lot’s scheme or members of the community corporation entered into or arranged by the seller or the community corporation?  no  yes

|  |  |
| --- | --- |
| If yes, attach details including terms and conditions, the consideration and estimated costs to members of the community corporation. | \_\_\_\_\_ |
| Additional comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |

**PART 2 – Buyer’s guide**

Why the information in this form is important to the buyer

There are specific rights, restrictions and obligations, including monetary obligations, that apply in relation to a lot in a community titles scheme. Those rights, restrictions and obligations can be found in the CTA, the *Community Titles Regulations 2021* (regulations) and the following documents:

* scheme by-laws and other scheme documents for the Lot’s scheme
* scheme by-laws and scheme documents of community titles schemes to which the Lot’s scheme belongs
* the certificate of title for the lot, and, if it is in force
* the community development statement (CDS) for the community scheme.

The information that the seller must provide to the buyer falls into four broad categories:

* information about the Lot’s scheme and community titles schemes to which the Lot’s scheme belongs or to which the Lot’s scheme is related
* information about the lot
* information about the common property
* the information in this Buyer’s guide.

The seller must also provide information to the buyer prior to settlement if the seller becomes aware of any *notifiable variations*, described in CTA section 3(1).

**The buyer should keep the completed Pre-contractual disclosure statement to the buyer form, including all attachments, in a safe place as it contains important information which might be needed at a later date.**

It is strongly recommended that the buyer read all of the information provided by the seller before signing the contract. The buyer should consider obtaining independent professional legal advice before signing the contract. A buyer may consider seeking more information about the lot, the community corporation and the Lot’s scheme by asking the seller to provide it, or by making an application to the community corporation for more information under CTA section 94.

**Buyer’s right to avoid the contract** *(*CTA sections 133 - 136*)*

If the seller fails to provide the required information before the buyer signs a contract for sale and purchase of a lot in a community titles scheme, the buyer may avoid the contract.

If the seller fails to provide the buyer with written notice of *notifiable variations,* described in CTA section 3(1), which have arisen after contract signature and before settlement, the buyer may avoid the contract.

The specific avoidance circumstances for pre-contractual information and notifiable variations are explained at the end of this guide.

**Buyer’s right to postpone settlement** *(*CTA section 132*)*

The buyer has a right to postpone the settlement date of the contract for the sale and purchase of a lot, by providing written notice to the seller, if the seller has not complied with their obligation to provide pre-contractual information or particulars of a notifiable variation to the buyer. The buyer may postpone the settlement date by no more than 15 working days after the latest date that the seller complies with the relevant disclosure requirement.

**Avoidance of “Proposed lot” contract**

Under CTA section 137, if the contract is for sale and purchase of a lot which has not yet been created, the contract must require any deposit or other amount payable by the buyer prior to registration of the community titles scheme, or amendment of the community titles scheme, to be paid by the buyer to an Australian legal practitioner, real estate agent or settlement agent, to be held on trust for the buyer until the scheme, or amendment of the scheme, is registered.

The contract must specify the practitioner or agent to whom payment is to be made by the buyer, and how payment may be made.

The buyer may avoid the contract at any time before registration of the community titles scheme, or amendment of the community titles scheme if:

1. The contract does not comply with the requirements of CTA section 137, or
2. The lot is not created either within a period after the date of the contract agreed in writing by the buyer and seller or, in the absence of such an agreement, within 6 months after that date.

**Disputes to be heard in the State Administrative Tribunal**

If the buyer or seller has a dispute about a right to avoid the contract under the CTA, or whether a seller has provided the pre-contractual information / notifiable variations as required and within the time required, the buyer or seller may apply to the State Administrative Tribunal for orders to resolve the dispute. The seller has the onus of proving that required information and statements were given.

The remainder of this guide summarises the relevance to the buyer of each item in PART 1 of the Pre-contractual disclosure statement to the buyer and explains the various scenarios for notifiable variations. More detailed information about community titles schemes is provided in the [*Guide to Community Titles*](https://www0.landgate.wa.gov.au/for-individuals/Land-Transactions-toolkit/reference-guides/Guide-to-Community-Titles-in-Western-Australia.pdf).

Summary of pre-contractual disclosure items and their relevance to the buyer

| Disclosure item | Relevance to the buyer |
| --- | --- |
| Seller information | Know who the actual seller is, i.e. the current owner, not just their representative. |
| Scheme information | Summary of status of community titles scheme to which the lot belongs, type of scheme, and tier within the community scheme. |
| Community development statement (CDS) | The CDS may control many aspects of the community scheme, including future subdivision and development. If the community scheme is well established the CDS may no longer apply. |
| Scheme documents for the Lot’s scheme | Essential documents detailing the community titles scheme to which the lot belongs, and the rights, obligations and restrictions attached to the lot and common property in the scheme. |
| Unit entitlement (UE) | The UE for the lot, specified in the Schedule of unit entitlements for the Lot’s scheme, determines the contributions payable by the owner of the lot to the community corporation established for the Lot’s scheme, subject to the scheme by-laws. UE also determines the voting rights attached to the lot and the lot’s share in common property in the Lot’s scheme. CTA section 41 details the rules about the proportion of the lot’s UE relative to the overall value of the Lot’s scheme. CTA section 16 sets out the manner of calculating a lot’s share of common property in a tier 1, tier 2 or tier 3 scheme |
| Community corporation & scheme manager | The Scheme notice, provided as part of the scheme documents, contains the name and address for service of the community corporation for the Lot’s scheme. The community corporation is the body corporate established under the CTA when the scheme is registered. Its members are initially the owners of lots in the scheme. The community corporation makes decisions relating to the scheme including managing and maintaining the common property, insuring insurable assets of the scheme, managing finances and making and keeping records. Part 8 of the CTA details the functions and responsibilities of the community corporation.  A community corporation may delegate some scheme functions to a scheme manager. Part 9 of the CTA details the requirements for a scheme manager. |
| Minutes and statement of accounts | Buyers are strongly advised to acquaint themselves with the information in the minutes of the latest annual general meeting of the community corporation for the Lot’s scheme, including resolutions about contributions payable by owners, the annual budget and any improvements to the common property. Buyers should also review the financial statements of income and expenditure for the community corporation, creditors and debtors and amounts in the administration fund and reserve fund. |
| Scheme documents for other tiers (to which the Lot’s scheme belongs) | These documents are important to prospective buyers because the Lot’s scheme, or the lot itself, may be impacted by decisions of these other tiers. The community corporation for the Lot’s scheme will vote on matters of the community corporation of the scheme to which the Lot’s scheme belongs. The lot owner will be subject to scheme by-laws of schemes to which the Lot’s scheme belongs. The lot may be a special lot having the benefit of exclusive use over common property in another community titles scheme in the community scheme. |
| Lot information | Exact details of where the lot is located in the Scheme plan for the Lot’s scheme, including boundaries. |
| Voting right restrictions | The buyer must be informed if their right to vote as an owner of the lot is restricted in any way by the contract for sale and purchase of the lot. |
| Contributions payable | Provides the buyer with the actual contributions or an estimate of contributions to the community corporation for the Lot’s scheme for the 12 months after settlement, as well as the payment frequency. |
| Contributions/debt owing by the seller | As the (new) owner of the lot, the buyer could become liable for any debts owed by the seller in relation to the lot, the Lot’s scheme, or a scheme to which the Lot’s scheme belongs, unless dealt with at settlement. |
| Exclusive use by-laws (for owners/occupiers of a ‘special lot’) | If the lot you are purchasing is a ‘special lot’, there will be exclusive use by-laws which confer exclusive use and enjoyment of, or special privileges over, all or part of the common property in the Lot’s scheme or another community titles scheme in the community scheme. These by-laws may include terms and conditions on which the occupiers of special lots may use the special common property as well as provisions relating to the maintenance, repair, insurance and other aspects of the special common property. These by-laws may also specify amounts payable to the community corporation responsible for managing the common property by the owners of such special lots. |
| Lease, licence, exclusive right etc | These are leases, licences, exclusive rights (other than by exclusive use by-law) and special privileges that the community corporation for the Lot’s scheme has created over the common property in the scheme, and/or a community corporation of a scheme to which the Lot’s scheme belongs has created over common property in that scheme. |
| Termination proposal | The owners of ALL lots within the community scheme get to vote on termination resolutions for *any* community titles scheme within the community scheme. This applies even when the owner’s lot does not belong to the community titles scheme for which termination is being sought. Also, the value of each vote in these circumstances is 1, regardless of unit entitlement. |
| Original subdivision owner – specific information | If you are buying from the original subdivision owner (the person who owns or will own the lots when first created) in circumstances described in CTA section 130(3), they are obliged to provide you with additional information to ensure that you are aware of:   1. the projected income and expenditure of the community corporation for 12 months after the settlement date, and 2. any benefits, consideration or remuneration the seller and/or their associate may be receiving or expect to receive relating to contracts they have entered into or arranged for the community corporation or its members and leases and licences of the common property and 3. details of any contract (or proposed contract) for the provision of services or amenities to the community corporation or its members entered into or arranged by the original subdivision owner or an associate. |

Avoidance rights for seller’s failure to give pre-contractual information to the buyer

|  |  |
| --- | --- |
| Scenario | Buyer’s avoidance right |
| Pre-contractual information is given before contract is signed by the buyer. | No avoidance right. |
| Pre-contractual information substantially complying is given after contract is signed by the buyer and before the settlement date of the contract. | Buyer may avoid the contract by giving written notice to the seller within 15 working days after the seller’s notice is given. The notice to the seller must include the grounds on which the contract is avoided, including details of the material prejudice. |
| Pre-contractual information was not given, and if the seller were to give the information, the buyer would receive information or a document that would disclose material prejudice to the buyer. | Buyer may avoid the contract at any time before settlement by giving written notice to the seller. The notice must include the grounds on which the contract is avoided, including details of the material prejudice. |

Avoidance rights for notifiable variations

CTA Section 131 describes the circumstances under which the seller must provide information about ‘notifiable variations’ to the buyer after contract signature and before settlement. There are two types of notifiable variation, described in detail in CTA section 3(1) (“*type 1 notifiable variation”* and *“type 2 notifiable variation”)*.

**Type 1** notifiable variations address a reduction in the area or size of the lot by 5% or more, an increase in the relative unit entitlement of the lot, or estimated relative unit entitlement of the lot, by 5% or more or a decrease of 5% or more, or anything relating to a proposal for termination of the Lot’s scheme or another scheme in the community scheme is served on the seller.

**Type 2** notifiable variations address amendments of the community development statement, or proposed community development statement, for the community scheme, changes to the scheme plan and the schedule of unit entitlements (that is not a Type 1 notifiable variation), amended or new contracts entered into by the community corporation, modifications to scheme by-laws of the Lot’s scheme or a community titles scheme to which the Lot’s scheme belongs, or new/amended leases, licences, rights or privileges over common property in the Lot’s scheme or a community titles scheme to which the Lot’s scheme belongs.

| Scenario | Buyer’s avoidance right |
| --- | --- |
| 1. Seller gives buyer notice of notifiable variation: not later than 10 working days after becoming aware of the variation  OR If within 15 working days of settlement, as soon as practicable after becoming aware of the variation. | For both type 1 and type 2 notifiable variations, the buyer may avoid the contract by providing written notice to the seller within 15 working days after the seller’s notice is given, provided the buyer: a) Is materially prejudiced by the notifiable variation (the reasons to be included in the buyer’s notice to the seller) *and* b) Scenario 2 does not apply. |
| 1. Seller has in the contract informed the buyer of any proposed action or matter that would be a notifiable variation, AND has given the buyer written notice of completion of the action or matter with particulars which a reasonable person would consider sufficient to enable the buyer to make an adequately informed assessment as to whether the action or matter is completed differently to that described in the contract. The notice of completion must be given: not later than 10 working days after the seller becomes aware of completion of the action or matter OR if the seller becomes aware of completion of the action or matter less than 15 days before settlement – as soon as practicable. | If the action or matter when completed *does not differ* from that described in the contract, and the seller gives the buyer written notice of completion, the buyer has **no** avoidance right.  If the action or matter when completed *differs* from that described in the contract, the seller must follow the steps in **Scenario 1** above, i.e. treat the action or matter as a notifiable variation, regardless of what is in the contract. |
| 1. Seller does not give the buyer notice of notifiable variation | * Type 1 notifiable variation:  Buyer may avoid the contract at any time before settlement by providing written notice to the seller (no need to prove material prejudice) * Type 2 notifiable variation Buyer may avoid the contract any time before settlement by providing written notice to the seller which includes details of material prejudice. |
| 1. Seller gives late written notice of the notifiable variation | * Type 1 Notifiable variation: Buyer may avoid the contract by providing written notice to the seller within 15 working days after the seller’s notice is given. * Type 2 Notifiable variation: Buyer may avoid the contract within 15 working days after the seller’s notice is given, by providing written notice to the seller which includes details of material prejudice. |

**Acknowledgement by seller and buyer**

|  |  |  |
| --- | --- | --- |
| **The statements by the seller and buyer relate to the pre-contractual disclosures and explanations described in this form.**  Disclosures can be provided electronically if the buyer has consented to this.  **Statement by the seller / seller’s representative** | | |
| The seller hereby certifies that the required pre-contractual disclosures and explanations as listed in this form, including attachments, were given to the buyer before the buyer signed the contract for sale and purchase of the lot. | | |
| Signature of seller | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Full name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Date | \_\_\_\_/\_\_\_\_/\_\_\_\_ | |
| Signature of seller | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Full name | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Date | \_\_\_\_/\_\_\_\_/\_\_\_\_ | |
| **Statement by the buyer** | | | |
| The buyer acknowledges receipt of the required pre-contractual disclosures and explanations in this form, including attachments, before signing the contract for sale and purchase of the lot.  The buyer understands that the disclosures and explanations given by the seller or the seller’s representative are not an offer or a contract to purchase a lot (though they may be included in such contract) but are required information. | | | |
| Signature of buyer | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Full name | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Date | | \_\_\_\_/\_\_\_\_/\_\_\_\_ | |
| Signature of buyer | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Full name | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Date | | \_\_\_\_/\_\_\_\_/\_\_\_\_ | |

1. This is the number allocated to the community titles scheme by the Registrar of Titles under CTA section 52(1)(a). [↑](#footnote-ref-1)
2. Select one. [↑](#footnote-ref-2)
3. Select one. [↑](#footnote-ref-3)
4. This information is on the scheme plan. [↑](#footnote-ref-4)
5. See CTA section 19(4) for when a CDS comes into force. [↑](#footnote-ref-5)
6. Latest versions if status of the Lot’s scheme is “proposed”. [↑](#footnote-ref-6)
7. Latest versions if status of tier 1 community titles scheme is “proposed”. [↑](#footnote-ref-7)
8. Latest versions if status of tier 2 community titles scheme is “proposed”. [↑](#footnote-ref-8)
9. E.g. for contravention of scheme by-laws of a community corporation to which the Lot’s scheme belongs. [↑](#footnote-ref-9)
10. A community titles scheme is related to the Lot’s scheme if the community titles scheme belongs to the Lot’s scheme OR the Lot’s scheme belongs to the community titles scheme. [↑](#footnote-ref-10)
11. A community titles scheme is related to the Lot’s scheme if the community titles scheme belongs to the Lot’s scheme OR the Lot’s scheme belongs to the community titles scheme. [↑](#footnote-ref-11)
12. A community titles scheme is related to the Lot’s scheme if the community titles scheme belongs to the Lot’s scheme OR the Lot’s scheme belongs to the community titles scheme. [↑](#footnote-ref-12)