14 July, 2010

PUBLIC COMMENT INVITED IN REVIEW OF VENDOR DISCLOSURE LAWS

NSW could become the first state to change the property inspection system, after the ACT, if reforms ensuring vendors pay for pre-purchase reports are implemented.

Minister for Lands, Tony Kelly, today called for public comment and written submissions as part of a review of the vendor disclosure requirements for real estate property sales in NSW.

“Building and pest inspection reports cost around $500 and in auction situations with only one successful bidder for example, it means other parties have virtually wasted their money,” the Minister said.

“The financial burden is multiplied for potential purchasers where several reports have been commissioned on different properties during the house hunting experience.

“If the reports are available with the contract then potential purchasers have access to at least one set of pre-purchase inspection reports available on the property.”

The Government review will be overseen by Member for Kiama, Matt Brown.

“A review investigating the costs and benefits of both the current NSW system and the ACT system will formally and thoroughly assess whether a change in the current NSW system is required and if so, the nature and extent of the change,” Mr Brown said.

“The review will balance both the cases for and against such a proposal.”

Mr Kelly said it is anticipated the review will be finalised by November at which time Mr Brown will submit the final report and recommendations for the consideration of the Government.

“This will be in time for any nationally coordinated change after COAG indicated it wants to look at an Australia-wide approach to aspects of vendor disclosure,” the Minister said.

“I encourage the public to have their say in this review process which has been advertised widely today in the state and regional media requesting submissions.”

A discussion paper, full terms of reference and further information are available on the Land and Property Management Authority’s (LPMA) website www.lpma.nsw.gov.au.

Submissions close COB Wednesday, 1 September, 2010.