




Speech By
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MEMBER FOR COOPER

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PRIVATE MEMBERS' STATEMENT

Off-the-Plan Developments, Sunset Clauses

 **Ms BUSH** (Cooper—ALP) (2.27 pm): The use of sunset clauses by developers to end property contracts is a practice that we know is happening right now. I know that the Attorney-General has spoken on this issue in this House and that she has referred the issue for inclusion in the Property Law Act review. She has already said that legislation dealing with this issue will be introduced this year. I thank her for her swift and very strong advocacy on this issue.

For context, purchasing a property off the plan means entering into a contract to buy land that is yet to be registered, or it might be an apartment in a building that is not yet built. A sunset clause in an off-the-plan sales contract provides a party with the right to terminate if the contract is not settled within a particular time frame. There are some good reasons sunset clauses do exist. They allow buyers, for example, to terminate the contract in an off-the-plan sale if the contract is not settled after a prolonged period of time.

We know that developers have been, and are, incorporating these clauses into their contracts. They are using these clauses to terminate contracts with buyers some many months after the original sale and they are selling off these properties to somebody else, sometimes at a markedly higher sales price, taking advantage of a rising property market.

I have a number of people in my electorate, across more than one development site, who are experiencing this injustice right now. They have bought in good faith, saved and put down deposits. They have engaged builders. Many moved their children into local schools at the start of the school year because they were told by developers that they would be in their homes by now. Instead, some have spent two years facing continuous stalling by developers—watching the days, weeks and months and now years tick by. They have witnessed contracts crash around them and watched as people who were going to be their neighbours are now left with having to buy back the same property at sometimes hundreds of thousands of dollars more or are priced out of the housing market entirely because the market has changed so substantially in the past two years. They cannot just buy somewhere else; they have orientated their entire life around living in that particular house.

Home ownership is the greatest financial decision that we make in our lifetimes, but it is more than just a financial decision: this is about people's homes. This is about having a place for their children to grow up in or a place to retire and grow old in. The fact that developers are taking advantage of a hot property market to rob families of this is abhorrent and I welcome a future review into the practice. In the interim, I encourage anyone buying off the plan to please get good independent legal advice before signing a contract.