

Form R3

Buyers information notice

Land and Business (Sale and Conveyancing) Act 1994 section 13A

Land and Business (Sale and Conveyancing) Regulations 2010 regulation 17

Before you buy a home there are a number of things that you should investigate and consider. Though it may not be obvious at the time, there could be matters that may affect your enjoyment of the property, the safety of people on the property or the value of the property.

The following questions may help you to identify if a property is appropriate to purchase. In many cases the questions relate to a variety of laws and standards. These laws and standards change over time, so it is important to seek the most up to date information. Various government agencies can provide up to date and relevant information on many of these questions. To find out more, Consumer and Business Services recommends that you check the website: www.cbs.sa.gov.au

Consider having a professional building inspection done before proceeding with a purchase. A building inspection will help you answer some of the questions below.

The questions have been categorised under the headings **Safety**, **Enjoyment** and **Value**, but all of the issues are relevant to each heading.

Safety

- Is there **asbestos** in any of the buildings or elsewhere on the property eg sheds and fences?
- Does the property have any significant **defects** eg **cracking** or **salt damp**? Have the wet areas been waterproofed?
- Is the property in a **bushfire** prone area?
- Are the **electrical wiring, gas installation, plumbing and appliances** in good working order and in good condition? Is a **safety switch** (RCD) installed? Is it working?
- Are there any prohibited **gas appliances** in bedrooms or bathrooms?
- Are **smoke alarms** installed in the house? If so, are they hardwired? Are they in good working order and in good condition? Are they compliant?
- Is there a **swimming pool and/or spa pool** installed on the property? Are there any safety barriers or fences in place? Do they conform to current standards?
- Does the property have any **termite** or other pest infestations? Is there a current preventive termite treatment program in place? Was the property treated at some stage with persistent organochlorins (now banned) or other **toxic** termiticides?
- Has fill been used on the site? Is the soil contaminated by **chemical residues** or waste?
- Does the property use **cooling towers** or manufactured warm water systems? If so, what are the maintenance requirements?

Enjoyment

- Does the property have any **stormwater** problems?
- Is the property in a **flood prone** area? Is the property prone to coastal flooding?
- Does the property have an on-site **wastewater treatment facility** such as a septic tank installed? If so, what are the maintenance requirements? Is it compliant?
- Is a **sewer mains connection** available?
- Are all gutters, downpipes and stormwater systems in good working order and in good condition?
- Is the property near **power lines**? Are there any trees on the property near power lines? Are you considering planting any trees? Do all structures and trees maintain the required clearance from any power lines?
- Are there any **significant** trees on the property?
- Is this property a unit on **strata or community title**? What could this mean for you? Is this property on strata or community title? Do you understand the restrictions of use and the financial obligations of ownership? Will you have to pay a previous owner's debt or the cost of planned improvements?
- Is the property close to a hotel, restaurant or other venue with entertainment consent for live music? Is the property close to any industrial or commercial activity, a busy road or airport etc that may result in the generation of **noise** or the **emission of materials or odours** into the air?
- What appliances, equipment and fittings are included in the sale of the property?
- Is there sufficient car parking space available to the property?

Value

- Are there any **illegal or unapproved additions**, extensions or alterations to the buildings on the property?
- How **energy efficient** is the home, including appliances and lighting? What **energy sources** (eg electricity, gas) are available?
- Is the property connected to SA Water operated and maintained **mains water**? Is a mains water connection available? Does the property have a **recycled water** connection? What sort of water meter is located on the property (a **direct or indirect meter** – an indirect meter can be located some distance from the property)? Is the property connected to a water meter that is also serving another property?
- Are there water taps outside the building? Is there a watering system installed? Are they in good working order and in good condition?
- Does the property have **alternative sources** of water other than mains water supply (including **bore or rainwater**)? If so, are there any special maintenance requirements?

For more information on these matters visit: www.cbs.sa.gov.au

<p>Disclaimer: There may be other issues relevant to the purchase of real estate. If you are unable to ascertain enough information about the questions raised in this form and any other concerns you may have we strongly recommend you obtain independent advice through a building inspection, a lawyer, and a financial adviser.</p>

Form R4

Bidders Guide

Guide to the sale of residential property by auction

Land and Business (Sale and Conveyancing) Act 1994 section 24I and section 24J(1)(f)

Under the Act, the real estate agent responsible for this auction must provide each person registered on the bidders register with this guide.

Who needs to register?

Any person who intends to bid at an auction for residential property must register.

Registering for an auction does not mean you must bid. Registering simply gives you the right to bid. You can register with the agent at any time before the auction, such as when you inspect the property, or on the day of the auction.

If you are bidding to buy the property jointly, for example, with a spouse or partner, only one person needs to register, however, only that person will be able to bid at the auction.

If you are bidding on behalf of another person you will need to provide that person's name and present a copy of a document signed by that person that authorises you to bid on their behalf.

Proof of identity

To register, you must show the agent one of the following*:

- a current document or card issued to you from a Commonwealth, State, Territory or local government authority (e.g. passport, driver's licence, or pension/health concession card, council or water rates notice)
- a document or card issued to you from a utility company (e.g. an electricity supply company)
- a document or card issued to you by a bank (e.g. visa card)
- a passport issued to you by a foreign government.

*you do not need to leave the document with the agent or allow them to make a copy

If you are bidding on behalf of another person, you must also provide a copy of one of the documents listed above that has been issued to that person.

It is against the law to provide false information for entry onto the bidders register.

What happens at registration?

Once you have registered, the agent will provide you with a unique identifier (comprising a number, letter, colour or some other identifying feature). Each time you make a bid you must display this unique identifier.

What if I arrive at the auction late?

Once an auction has commenced, the agent may interrupt the auction to allow you to register. It is up to the agent to determine whether or not to stop the auction to allow you to register. If you are entered on the register you may bid at the auction.

Prescribed standard conditions for auction of residential property

Apart from any conditions of auction that the agent also displays at the auction, the following prescribed standard conditions will apply to all auctions of residential land:

- (a) any person may bid in the auction in person, or by their proxy or representative, subject to the conditions of auction;
- (b) the vendor's reserve price will be as recorded in the auction record;
- (c) to make a bid a person must be registered in the bidders register, having satisfied the requirements as to proof of identity and, if applicable, authority to bid as a proxy or representative;
- (d) the auctioneer will only accept a bid if the person making the bid displays a unique identifier (comprising a number, letter, colour, or some other identifying feature) allocated to the person by the auctioneer
- (e) the auctioneer will, when accepting a bid, audibly announce the unique identifier so displayed by the bidder;
- (f) the auctioneer may refuse a bid if of the opinion that it is not in the best interests of the vendor, and will not be obliged to give any reason for refusing a bid;
- (g) the auctioneer may make bids on behalf of the vendor but not more than 3 such bids and only for amounts below the reserve price; any such bid will be audibly announced by the auctioneer as a "vendor's bid";
- (h) bidding increments will be accepted at the discretion of the auctioneer;
- (i) the person accepted by the auctioneer as having made the highest bid at or above the reserve price will be the purchaser and that bid will be the purchase price;
- (j) the auctioneer will not accept a bid made after the fall of the auctioneer's hammer;
- (k) unless otherwise agreed in writing by the purchaser and the vendor before the commencement of the auction—
 - (i) a contract for the sale of the property, in the form displayed by the auctioneer at the auction, will be completed and signed by or on behalf of the purchaser and the vendor immediately after the fall of the hammer; and
 - (ii) the purchaser will pay a deposit immediately after the fall of the hammer, as specified in the conditions of auction*;
- (l) the auctioneer will have irrevocable authority, after the fall of the auctioneer's hammer, to complete and sign the contract on behalf of the purchaser or the vendor, or both; completion and signing under that authority will be at the auctioneer's discretion in the event of breach by the purchaser of any of the conditions of auction;
- (m) the cooling-off rights under section 5 of the Land and Business (Sale and Conveyancing) Act 1994 do not apply to a sale by auction or a sale on the day of auction to a person who has made a bid in the auction (whether in person or by their proxy or representative).

*NOTE: Conditions of auction includes conditions displayed by the auctioneer at the auction as conditions of the auction, together with the standard conditions set out above.

Dummy and vendor bidding

It is against the law for the vendor of the property, or a person acting on behalf of the vendor, to make a bid at the auction. This type of activity is called dummy bidding and can attract a maximum penalty of \$20,000.

However, the vendor of the property is entitled to have up to three bids made on their behalf by the auctioneer, who must announce each such bid as a 'vendor bid'. The amount of a vendor bid must be less than the vendor's reserve price.

Interrupting auctions

It is against the law to knowingly prevent a rival bidder from freely bidding at an auction, or to harass a bidder.

It is also against the law to do anything with the intention of preventing, causing a major

disruption to, or causing cancellation of an auction. A maximum penalty of \$20,000 applies.

Cooling-off period

There is no cooling-off period when you buy at auction.

If you are the successful bidder at auction no further bids can be made or accepted. You must then sign a binding sale contract as soon as possible after the conclusion of the auction. You will usually be required to pay a deposit at the time. The deposit amount is usually around 10% of the purchase price, however you may seek to negotiate a lesser amount with the agent before the auction.

If the property is passed in at auction and if you made a bid at the auction then any sale contract you enter into before midnight on the same day as the auction, as a result of further negotiations with the vendor, is not subject to a cooling-off period.

Your privacy

The agent is not permitted to disclose information on the bidders register to anyone unless required to by an authorised person under the Fair Trading Act 1987.

Disclaimer: This publication is a plain language guide to your rights and responsibilities. It must not be relied upon as legal advice. For more information please refer to the appropriate legislation or seek independent legal advice.

Form R5

Collusive Practices

Collusive practices at auctions of land or a business

Land and Business (Sale and Conveyancing) Act 1994 section 24L

Land and Business (Sale and Conveyancing) Regulations 2010 regulation 28

Section 24L of the *Land and Business (Sale and Conveyancing) Act 1994* makes it unlawful to engage in collusive practices in relation to an auction of land or a business. Under that section a person must not do any of the following as a result of a collusive practice, or induce or attempt to induce another person by a collusive practice to do any of the following:

- (a) abstain from bidding;
- (b) bid to a limited extent;
- (c) do anything else that might tend to prevent free and open competition.

The maximum penalty for committing such an offence is \$20 000.

* “*Collusive practice*” is defined in section 24L(4) of the Act. If you are intending to bid at an auction and are unsure whether your activity constitutes a collusive practice, it is advisable to seek independent legal advice.

<p>NOTE: At auctions of land or businesses this form must be made available for perusal by members of the public for at least 30 minutes immediately before the auction is due to commence.</p>

Form R6

Warning Notice to Purchaser

Agent acting on behalf of vendor and purchaser

Land and Business (Sale and Conveyancing) Act 1994 section 24F

It is generally prohibited for an agent to act on behalf of both the vendor and purchaser of the same land or business at the same time. The *Land and Business (Sale and Conveyancing) Act 1994* states that an agent will be subject to a maximum penalty of \$20,000 if they do act on behalf of both a vendor and purchaser at the same time. However, special circumstances may arise where this can happen without penalty. If the following circumstances apply to you, then the agent may act on your behalf if they firstly give you this warning notice and you acknowledge receipt of it by signing below.

The specific circumstances occur when:

- the agent negotiates the sale of land or a business on behalf of a person, the vendor, and
- the purchase of the land or business is made subject to sale of some other property or business by you, the purchaser, and
- the agent acts on behalf of you, the purchaser, in the sale of the other land or business.

In order for an agent to act on your behalf you must complete a sales agency agreement with the agent. If your proposed purchase of the vendor's land or business falls through, you may still be required to comply with certain obligations under the sales agency agreement, including the payment of fees. This will depend on the wording of the agreement. If you are unsure about your obligations under a sales agency agreement you should consult an independent legal advisor.

Name of agent **BRENTON WARD REAL ESTATE**

Signature of agent

I, **name of purchaser**, noting that the circumstances described in this notice apply to me, acknowledge receipt of this form before authorising the agent to act on my behalf.

Signature of purchaser

Date / /

Form R7

Warning Notice

Financial and Investment Advice

Land and Business (Sale and Conveyancing) Act 1994 section 24B

Land and Business (Sale and Conveyancing) Regulations 2010 regulation 21

A land agent or sales representative who provides financial or investment advice to you in connection with the sale or purchase of land or a business is obliged to tell you the following —

You should assess the suitability of any purchase of the land or business in light of your own needs and circumstances by seeking independent financial and legal advice.

NOTE: For the purposes of section 24B of the Act, an agent or sales representative who provides financial or investment advice to a person in connection with the sale or purchase of land or a business must

- in the case of oral advice - immediately before giving the advice, give the person warning of the matters set out in this Form orally, prefaced by the words "**I am legally required to give you this warning**"; or
- in the case of written advice - at the same time as giving the advice or as soon as reasonably practicable after giving the advice, give the person this Form, printed or typewritten in not smaller than 12-point type.