



Department of Justice

Consumer Affairs Victoria
Director

17/121 Exhibition Street
Melbourne
GPO Box 123
Melbourne 3001
Telephone: 1300 73 70 30
Email:
cav.resolutionsservice@justice.vic.gov.au
DX210220

RECEIVED
25 SEP 2008

BY:.....

18 September 2008

To the Principal Agent, Officer in Effective Control and Branch Manager

NEW ESTATE AGENTS (CONTRACTS) REGULATIONS 2008

Please circulate this letter to relevant employees and sales staff in your agency to ensure that they are aware of the new requirements.

New regulations will come into operation on 28 September 2008, which will introduce new standard form contracts for the sale of real estate and the sale of a business.

The new contract of sale of real estate:

- replaces the contract note and the contract of sale currently used;
- has been prescribed as two forms:
 - Form 1 (contract of sale of real estate-particulars of sale); and
 - Form 2 (contract of sale of real estate-general conditions).

This will enable the contract to be split, so that the general conditions can be published separately. This should assist estate agents who are accustomed to using a contract note or a shorter form standard contract. The acknowledgement in the Particulars of Sale in Form 1 makes it clear that the estate agent must provide the parties with copies of both Forms at the time of signing the contract;

- replaces the purchaser's current right to requisition and make enquiries, with a number of vendor's warranties;
- replaces the general conditions set out in Table A of the Seventh Schedule of the *Transfer of Land Act 1958* and the Third Schedule of the *Property Law Act 1958* (incorporated by reference into the current contract), with a set of general conditions; and
- sets out certain provisions regarding the payment of GST.

The new contract of sale of business:

- strengthens and updates the current standard form contract for the sale of a business in accordance with modern business practice;
- adds certain vendor warranties and obligations for both the vendor and purchaser; and
- sets out certain provisions regarding the payment of GST.

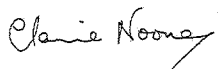
The Estate Agents (Contracts) Regulations 2008 replace the Estate Agents (Contracts) Regulations 1997. Section 53A of the *Estate Agents Act 1980* allows estate agents to use the contracts prescribed in the regulations without breaching section 2.2.2(1) of the *Legal Profession Act 2004*, which makes it an offence for a person to engage in legal practice unless they are a legal practitioner or licensed conveyancer.

Extensive consultation was undertaken with the peak bodies for the estate agency, legal and conveyancing industries.

All estate agents and staff should familiarise themselves with the new regulations. Copies are available on the Victorian Legislation and Parliamentary website at www.legislation.vic.gov.au under Victorian Statute Book. When the Regulations commence operation on 28 September 2008, they will be available from that website under Victorian Law Today. You may also access these regulations, along with other legislation and information, on the Real Estate Legislation page on the Consumer Affairs Victoria website at www.consumer.vic.gov.au.

For further information about the 2008 Regulations, please contact the Estate Agents Resolution Service at Consumer Affairs Victoria on 1300 73 70 30.

Yours sincerely



Dr Claire Noone
Director