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BUSINESS PROPERTY LITIGATION FAMILY MEDIATION ESTATES NOTARY

9 Key Traps to Watch

New REIQ contracts and Seller Disclosure Statement (Form 2)

Since 1 August 2025, the new REIQ contract editions and the mandatory Seller Disclosure Statement (Form 2) apply to Queensland sales. These changes improve transparency but create new risks if the paperwork is not complete or accurate.

Here is what you need to know and do.

1 New combined contract

What changed
There is now one combined REIQ contract for house and land and community titles. You no longer select between two forms.

Why it matters
Using an old edition can misalign with Form 2 and the new statutory rules.

AGENT TIP
Always use the First Edition 2025 contract.

2 Seller Disclosure Statement (Form 2) now required before signing

What changed
Sellers must give buyers a signed Form 2 before the buyer signs. Attach the prescribed certificates and information, for example title search, plan, pool certificate or notice, body corporate certificate and CMS, any planning, building or environmental notices and rates, and water notices and invoices.

Why it matters
If disclosure is missing, incomplete or inaccurate, the buyer can terminate any time before settlement.

EXAMPLE
No pool certificate or notice is provided with Form 2. Buyer discovers this three days before settlement and rescinds with a refund of the deposit.

AGENT TIP
Order searches at the Form 6 stage. Aim to have disclosure ready at launch, not after the first offer.

3 Tenancy Schedule moved to an annexure

What changed
All tenancy details sit in a separate tenancy schedule annexure, not in the body of the contract, but make sure this also is completed in the Form 2. It must include tenant names, contact details, term, options, bond, rent and the managing agent's details. The seller must state the date of the last rent increase in the past 12 months if applicable.

Why it matters
Missing or wrong tenancy details can lead to allegations of misrepresentation and termination risk.

AGENT TIP
Collect a complete tenancy schedule from the seller or the property manager before issuing the contract and Form 2.

4 Gst and land tax clauses explained, including defaults

GST
If the GST section is not completed, the price is treated as GST inclusive. The seller's net proceeds may be affected.

Land tax
The contract offers three options for the assessment year in which settlement occurs:

- ☐ **No adjustment** (seller pays the whole year)
- ☐ **Single property basis** (adjustment is calculated as if the property were the only one owned)
- ☐ **Actual total liability basis** (adjustment reflects the seller's entire land tax bill)

Default if no option is selected
The seller pays the entire year's land tax for the year in which settlement occurs.

EXAMPLE
Settlement on 15 October 2025. No box is ticked. Annual land tax is $12,000. Seller pays the full $12,000 with no adjustment.

AGENT TIP
Do not guess. Ask the seller to confirm GST and land tax instructions in writing after speaking with their accountant. Check that one land tax option is ticked before sending the contract for signing and note the instruction on file.

5 Pool safety

What changed
If a valid pool safety certificate is given with Form 2, a new certificate is not required even if it expires during the contract. If there is no certificate, the seller must provide a Form 36 Notice of No Pool Safety Certificate before the buyer signs.

Why it matters
Omitting the certificate or the notice can give the buyer a termination right.

AGENT TIP
Confirm pool status at listing. Obtain the certificate or the Form 36 before you issue the contract.

6 New one-time extension right for electronic settlements (cl 6.3)

What changed
If a party in the PEXA workspace is unsigned between 3:00 pm and 4:00 pm on settlement day and does not re-sign by 4:00 pm, settlement rolls to the next business day automatically. This can only be used once for that contract.

EXAMPLE
Seller's solicitor misses the 3:30 pm signing. Settlement moves to the next business day. A second miss does not trigger another automatic extension.

AGENT TIP
Manage expectations. If there is a late signing issue, alert parties early that the clause may push the date one day.

7 Inspection of body corporate records

What changed
If a timeframe is completed, the buyer may inspect body corporate records. If not satisfied, the buyer can terminate but must give written reasons. The buyer must take reasonable steps to inspect.

EXAMPLE
Buyer finds a recently issued special levy for facade works. Buyer terminates and the deposit is released.

AGENT TIP
Encourage the seller to disclose known issues early and to obtain up to date body corporate information.

8 Body corporate information cannot say “refer to disclosure”

What changed
You can no longer write “refer to disclosure statement” for body corporate questions. Form 2 and the body corporate certificate do not cover every query.

Why it matters
Missing answers can cause disputes and delay.

AGENT TIP
If the seller does not know, recommend a body corporate records search or ask the body corporate manager.

9 Place of settlement rule updated

What changed
If the seller has a Queensland solicitor, the place of settlement is the city or town of that office. If the seller has no solicitor or the solicitor is outside Queensland, the default place is Brisbane CBD.

Why it matters
If e-settlement fails and paper settlement is required, this clause decides the fallback location.

AGENT TIP
Confirm the seller’s solicitor details early and check the place of settlement item is correct.

Why this matters for agents

These reforms reduce uncertainty but also create termination traps: missing or wrong Form 2 items, incomplete tenancy details, wrong tax settings, pool safety gaps and body corporate errors. A buyer can walk away up to settlement if disclosure is wrong or incomplete.

Your role

Ensure Form 2 is prepared early and accurately, confirm tenancy, tax, pool and body corporate details, and always use the current REIQ contract. Keep clear file notes of the seller’s instructions, especially on GST and land tax.

The contents of this document do not constitute legal advice and should not be relied upon as such. Formal legal advice should be sought regarding particular events and circumstances.

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