GRIFFITHS PARRY
LAWYERS & NOTARY

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BUSINESS PROPERTY LITIGATION FAMILY MEDIATION ESTATES NOTARY

Property Contracts in Queensland

Summary of key changes

This summary explains the new seller disclosure framework and other changes under the Property Law Act 2023 as of 1 August 2025. It covers when **Seller Disclosure Statement (Form 2)** is required, how the auction and option rules operate, what counts as a contract for sale of a lot, and the circumstances that can allow a buyer to walk away before settlement. Practical examples and agent tips are included to help you avoid costly mistakes.

1 Sales of Land: Writing, Signing and Risk

Contracts for the sale of land must still be in writing and signed. Short leases and certain implied or resulting trusts may still arise without writing. Risk continues to pass to the buyer on contract, however buyers can no longer rely on the seller's insurance.

EXAMPLE
A storm damages the roof after contract but before settlement. The buyer cannot claim on the seller's policy and must decide whether to settle as is.

AGENT TIP
Remind sellers to keep insurance current until keys change hands.

2 What Counts as a Contract for Sale of a Lot

Disclosure is required whenever there is a contract for the sale of a lot. This includes a contract to transfer title to a registered lot for value and any grant of a put, call or put and call option for the sale or purchase of a lot.

Disclosure is ***not*** required for:

- Leasehold lots or leases (e.g. over-50s village leaseholds or retirement village leases)
- Sales or transfers between co-owners or for boundary realignments
- Gifts (transfers without payment, such as to a child)
- Sales of proposed/off-the-plan lots (not yet registered)
- Water allocations (e.g. trading permanent water licences separately from farm land)
- Company title units (older unit blocks where ownership is by shares in a company, not an individual title)

AGENT TIP
Always confirm that the transaction qualifies (if you are unsure, call us – we can help). If disclosure is required and missed, the buyer may terminate up to settlement.

3 Mandatory Seller Disclosure: What Must be Provided

Before contract, the seller must provide a signed Form 2, the prescribed certificates and the prescribed information. Certificates include a current title search and survey plan, pool safety certificate or notice that one does not exist, planning, building and environmental notices, a body corporate certificate and the Community Management Statement for units, contaminated land and heritage entries as applicable, and rates and water notices. Prescribed information includes unregistered encumbrances, zoning, heritage listing, tree orders, transport infrastructure proposals and any notice of intention to resume.

Accuracy: Information must be true when given. There is no duty to update, but failure to disclose known changes can amount to misleading conduct.

WARNING FOR AGENTS

All seller disclosure documents must be accurate when given to the buyer. While there is no statutory duty to update them if circumstances change, sellers (and agents) risk liability for misleading or deceptive conduct if they know information has become inaccurate but fail to correct it. This could expose the seller under the Australian Consumer Law or allow a buyer to terminate if an undisclosed encumbrance or material change arises before signing. Agents should carefully check that all disclosure documents are correct, complete, and reflect the current state of the property at the time of contract to avoid late-stage termination.

4 Exceptions to Mandatory Seller Disclosure

Mandatory Form 2 disclosure does not apply in limited cases. Common examples include:

- Related Party Sales where all sellers and buyers are related within the statutory definition and each buyer gives a written waiver before contract (e.g., Parents sell to a family trust where all controllers are related, and each buyer signs a waiver before signing the contract. If even one party is not related, the exception fails).
- Where State or government body is the buyer (e.g., The Department of Transport acquires a strip for road widening. Other statutes may still require notices).
- Transfers between co-owners or boundary realignments (e.g., One tenant in common buys out the other, or titles are adjusted to move a fence line).

- Contracts formed on exercise of an option with the same parties (e.g., If a call/put option is exercised and the buyer and seller are the same parties named in the option, no new disclosure is required. However, if a nominee will exercise or become buyer, disclosure must be given to the nominee before exercise).

- Sales over $10 million (GST incl.) where the buyer gives a written pre-contract waiver (If the price exceeds $10 million (GST incl.) and the buyer waives s 99 in writing before signing, disclosure is not required).

AGENT TIP
Obtain any buyer waiver in writing before contract and keep it on file. For an option, confirm early if a nominee may exercise and ensure disclosure is given to the nominee before exercise. For 10+ million dollar deals, confirm the GST-inclusive price and the buyer's waiver.

5 When Disclosure Must be Given

The seller must give the disclosure statement and each prescribed certificate to the buyer before the buyer signs. If there are multiple buyers, disclosure must be given before the first buyer signs.

AUCTIONS

At auction, the buyer is taken to have signed at the fall of the hammer. To comply, the disclosure pack should be given to all registered bidders before the auction starts. If the successful bidder was not registered, the Act prescribes how disclosure can still be given.

OPTIONS

For options, disclosure must be given to the grantee before the option is signed. If the contract formed on exercise is between the same parties as the option, no further disclosure is required at exercise. If a nominee will exercise or will be the buyer, disclosure must be given to the nominee before exercise.

AGENT TIP
Build disclosure into your listing workflow. For auctions, circulate the pack to registered bidders in advance and have a digital link ready on the day. For options, identify any nominee early and deliver disclosure to the correct party on time.

6 Accuracy of Disclosure

Disclosure documents must be accurate at the time they are given to the buyer. If they later become wrong (for example, if a new council notice arrives), there is no automatic duty to update them under the Act.

But if a seller knows information has changed and doesn't disclose it, they risk:

- breaching the Australian Consumer Law for misleading or deceptive conduct; or
- giving the buyer a right to terminate under the REIQ contract or at common law.

7 Dwelling Damage and Recession Rights

If a residential dwelling becomes so damaged or destroyed that it is unfit for occupation before settlement, the buyer may rescind. The seller now has an opportunity to restore the dwelling to its pre-damage condition before settlement. The seller should promptly notify the buyer after assessing the damage, confirm that restoration will be undertaken, and later give a completion notice so the buyer can inspect. Once restoration is complete and the buyer has been notified and given an opportunity to inspect, the right to rescind under section 77 ends. Nothing stops the buyer from rescinding while the dwelling remains uninhabitable before restoration. Whether restoration is satisfactory is for the buyer to assess. The mechanism is aimed at damage that is minor to moderate and capable of repair in the short period before settlement or earlier possession.

EXAMPLE
A kitchen fire one week before settlement. The seller immediately notifies the buyer, completes like-for-like repairs and gives a completion notice. The buyer inspects, is satisfied that the dwelling is back to its prior condition and cannot rescind under section 77.

AGENT TIP
If damage occurs, help the seller line up urgent trades, keep written updates flowing to the buyer, and ensure the completion notice includes evidence of works and inspection access.

8 Electronic Settlement and Outage Extensions

Automatic shift if not a business day (s 78)
If the nominated settlement day is not a business day, settlement automatically moves to the next business day or as the parties agree, despite the terms of the contract.

- For a paper settlement, business days are counted in the place where the contract is to be settled.
- For an electronic settlement, business days are counted in the location of the land. "Business day" means a day that is not a Saturday, Sunday, or a public, special or bank holiday in the relevant place.

Land registry outage affecting title verification (s 79)
If the buyer cannot verify the seller's title because the land registry computers are inoperative on the settlement day, the buyer may extend settlement by written notice to a date that is not less than 3 and not more than 7 business days after the registry becomes operative again.

i.e., QLD Titles Office has a meltdown.

Electronic system outage preventing settlement (s 80)
If any computer system required for electronic settlement is unavailable and this prevents settlement on the due day, the settlement day becomes the next business day after the system is again operational, excluding 27–31 December.

If the system is still down on that next business day, settlement rolls forward again to the next business day until the system is operational.

i.e., If PEXA has a meltdown.

EXAMPLE
Settlement is due on 24 December. A PEXA outage prevents completion. The platform resumes on 29 December, but 27 to 31 December are excluded. Settlement slides to the first business day in January without default.

AGENT TIP
Confirm whether settlement is electronic or paper, check the correct location for counting business days, diarise any outage notices, and coordinate on any written notices needed for title verification issues.

9 Adverse Events

Settlement can be delayed if a party is prevented by an adverse event such as a flood, solicitors' serious illness or a system outage.

EXAMPLE
A solicitor is hospitalised on settlement day. Settlement is extended until the solicitor can act.

AGENT TIP
If the seller is anxious about delay, explain that statutory protection applies.

10 Termination Rights if Disclosure is Wrong or Missing

Termination for Non-Compliance with Seller Disclosure Obligations (s 104 PLA 2023)
A buyer may terminate at any time before settlement if the seller fails to comply with the disclosure requirements.

Non-compliance includes:

- No disclosure statement is provided before the buyer signs.
- Prescribed certificates are not provided before the buyer signs.
- Information is inaccurate in the disclosure statement or certificates at the time they are given.
- Disclosure statement is incomplete, omitting relevant information/missing documents.

For missing documents, termination does not require materiality and even a technical oversight can unravel the contract. For inaccuracies or omissions, termination applies where the matter is material, the buyer was unaware on signing and would not have signed if properly informed.

EXAMPLE
A unit contract proceeds without the body corporate certificate attached to the disclosure. The buyer terminates a week before settlement and the seller must refund the deposit.

Termination for Breach of Other Statutes
If another statute imposes a disclosure duty, the buyer's remedy lies under that statute.

EXAMPLE
Failure to disclose land contamination under the Environmental Protection Act 1994 gives the buyer a right to rescind under that Act. If there are multiple failures, the buyer may choose which ground to rely on.

Inaccurate Third-Party Certificates (s 106 PLA 2023)

If a prescribed certificate (e.g., body corporate certificate) obtained from a third party is inaccurate:

- The buyer's only remedy against the seller is termination under s 104.
- The seller is shielded from liability for compensation if they simply passed on the document.

However, if the seller or agent makes additional statements about the certificate (e.g., assuring a buyer that levies are "fully up to date" when they are not), they could still face liability under misleading or deceptive conduct laws.

EXAMPLE
A body corporate certificate understates outstanding levies. The buyer terminates. The seller avoids damages liability but the sale is lost. Verbal assurances that levies were current could still expose the seller to a misleading conduct claim.

CONSEQUENCES OF TERMINATION
The buyer is entitled to a full refund of the deposit and interest within 14 days. The seller is not required to refund other amounts such as occupation rent or contributions toward rates or maintenance.

11 Examples of Non-Compliance With Seller Disclosure Obligations and Termination Rights

- Unit sale without a body corporate certificate. Buyer terminates and recovers the deposit.
- Transport infrastructure notice not disclosed. Buyer discovers a planned rail corridor and rescinds.
- Pool safety not compliant. No certificate or notice is provided. Buyer terminates.
- Sale price over 10 million dollars. Disclosure not required only if the buyer's written waiver is obtained before contract – waiver wasn't obtained before signing.
- Body corporate certificate inaccurate. Buyer terminates. The sale is lost even if the seller relied on the manager.

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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