

Real Estate Law News

31 May 2012

PROPOSED CHANGES A WELCOME RELIEF

The *Treasury (Cost of Living) and Other Legislation Bill 2012* has now been passed and awaiting royal assent which is anticipated any day. We are delighted to advise of two key changes that will be of interest to you, being the:

1. Reinstatement of the transfer duty home concession; and
2. Removal of the requirement for Sellers to provide Sustainability Declarations.

Transfer Duty Concession

The Bill amends the *Duties Act 2001* to reinstate the transfer duty home concession, the transfer duty rate structure and the phasing-out point of \$550,000 for the lower rebate for the transfer duty first home concession. These changes to duty will apply to dutiable transactions entered into on or after 1 July 2012.

The Bill proposes to reinstate the principal place of residence concessional rate of transfer duty for the purchase of a home, which the LNP Government believes will save home buyers up to \$7,000. The concession provides a one percent rate of transfer duty to the first \$350,000, with duty at the general rates applying to any remaining part of the value of the home.

To avoid potential buyers replacing contracts entered into prior to this date, the Bill provides a new section 629 to the *Duties Act 2001* preventing the new concession applying to a transfer or agreement entered in after 1 July 2012 if it replaces a transfer or agreement that was made before this date.

More information is available on the information sheet published by the Office of State Revenue by visiting the following link: <http://www.osr.qld.gov.au/home-page-promo/home-concession-info-sheet.pdf>

Sustainability declarations for residential sales

The Bill reduces real estate red tape by the proposal to remove the requirements on sellers of residential property to prepare and provide a sustainability declaration before the sale of residential properties.

The Bill proposes to:

- remove the requirements on a seller to prepare and provide a sustainability declaration prior to the sale of residential dwellings; and
- remove the existing requirements on selling agents in relation to sustainability declarations.

The current law requires:

- the seller of a residential property to give to a prospective buyer a signed sustainability declaration before the buyer enters into a contract of sale; and
- the seller's agent to ensure a sustainability declaration is available as part of the advertising process and to have a copy of the sustainability declaration displayed at open house inspections.

If implemented, the changes in the law will apply to all residential properties that are advertised for sale at the time the amendments commence. If a sustainability declaration has been prepared for the sale of a property, it will not be necessary to continue to make the sustainability declaration available once the amendments commence.

More information is available by visiting the following link: <http://www.parliament.qld.gov.au/documents/explore/ResearchPublications/ResearchBriefs/2012/RBR201207.pdf>

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