VENDOR DISCLOSURE – IS IT NECESSARY IN THE NT?

The Attorney-General Peter Toyne has today released a discussion paper on vendor disclosure to seek views on what information should be provided to potential home buyers.

The Australian Bureau of Statistics’ December 2005 figures for Housing Finance for Owner Occupation showed a growth in Territory home owners almost three times the national average last year.

The number of housing finance commitments with financial institutions in the NT increased from 6005 in 2004 to 7446 in 2005.

“With such strong growth, the government is examining the pros and cons of vendor disclosure legislation which is aimed at improving the efficiency and fairness of the conveyancing system in the NT,” Dr Toyne said.

“We’re looking at a broad range of issues including whether vendor disclosure statements should be mandatory and if so, what they should include, and also whether they should only apply to residential property sales or all property sales; whether there should be a mandatory cooling off period for buyers and if should there be a prescribed contract of sale for residential property in the NT.”

Dr Toyne said the Vendor Disclosure Legislation Discussion Paper identified problems with buying and selling property in the NT.

“Vendor disclosure statements may help buyers make more informed decisions,” he said.

“Potential homeowners often spend considerable time and money obtaining information and reports on several properties before making a purchase – either because of defects identified or because less cautious buyers are prepared to sign unconditional contracts without carrying out these investigations.

“Vendor Disclosure Legislation could aid consumer protection in that area.”

Dr Toyne is interested in hearing from all areas and would like to weigh up whether the costs of imposing a vendor disclosure regime in the NT would justify the benefits to the community as a whole.

“This is an important discussion and one which I hope all Territorians will take an interest in,” he said.

“I strongly encourage individuals as well as industry groups and other interested parties to make submissions on the discussion paper.”

The closing date for submissions is 28 April 2006. The discussion paper can be found at www.nt.gov.au/justice or contact the Legal Policy Division of the Department of Justice on 89357665.

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