**Submission from Zhixing Cui (via email)**

CAV

I would like to report a loop hole that could expose property buyers to

significant risks when buying newly-developed townhouses/units at auction.

This is based on my personal experience and certainly stories that I've heard

too many times as a estate agent myself. I can provide evidences to support my

claim, in fact, I've lodged a complaint with CAV against an estate agent.

Submission:

Estate agents representing developers (vendors) often withhold the section 32

and contract of sale until the last few days leading up to auction. At its

worst, I've seen agent withholding it until the Friday before a Saturday

auction, which gives buyers no chance of having the contract reviewed by a

lawyer.

The risk comes when the development has not had its planning permits

approved by local planning authority, before the auction. In my case, the plan

of subdivision had not been approved. The contracts that I've seen has two

major problems:

1. it does not disclose to buyers that planning permit has not been finalised.

2. it places all the risks and financial penalties on the buyer, if a plan of

subdivision is not approved, or significantly delayed.

In a hotly contested market, home buyers will either have to miss out on the

property, given the obvious risk of 'buying blind', or taken on a huge risk and

hope everything goes well.

My questions are;

1. are estate agents allow to sell real estate that has no planning permit

2. if the answer to Q1 is yes, must the agent disclose this to buyers?

3. can the Act place a mandatory timeframe on which a section 32 must be

provided. A vendor must prepare the doc before placing it on the market to sell.

Zhixing Cui

Licence number 074605L