



## Property Email Update

### BCCM Act amendments come into force

The *Body Corporate and Community Management and Other Legislation Amendment Bill 2010* was passed in Queensland Parliament on 6 April 2011 and came into force on Thursday 14 April 2011.

#### Disclosure Obligations

The Bill amends the Body Corporate and Community Management Act 1997 (BCCM) to require:

1. disclosure within the disclosure statement of:
  - i. the amount of annual contributions currently fixed by the body corporate as payable by the owner of the lot;
  - ii. the extent to which the amount mentioned in subparagraph (i) is based on the contribution schedule lot entitlements for the lots included in the scheme; and
  - iii. the extent to which the amount mentioned in subparagraph (i) is based on the interest schedule lot entitlements for the lots included in the scheme; and
  - iv. that the contribution schedule lot entitlements, and interest schedule lot entitlements for the lots included in the scheme are set out in the community management statement for the scheme.
2. the disclosure statement to be accompanied by a copy of the community management statement for the scheme.

The Bill also inserts a new section 206B which creates an obligation for a seller to disclose to a buyer a new version of the community management statement within 14 days if one is recorded after a contract is entered into but before it settles.

A buyer may terminate a contract within 14 days after receiving the new community management statement if they would be materially prejudiced if compelled to complete the contract, given the extent to which the new community management statement is different from the community management statement last advised to the buyer.

#### Transitional arrangements

If a disclosure statement has already been given to a buyer but the contract has not yet been entered into in compliance with the above provisions, then the seller can either:

- (a) give the buyer a new disclosure statement that complies with current law, or
- (b) give the buyer a written notice that states the matters mentioned above and is accompanied by a copy of the community management statement for the community titles scheme.

Where a seller has not signed but a buyer has signed a contract prior to commencement, it would be prudent to reissue the contract for signing, together with the disclosure statement in compliance with the new provisions. Failure to provide a disclosure statement to a buyer prior to signing will allow the buyer to terminate the contract at any time prior to settlement.

April 2011

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