



REIV THE STANDARD
FOR SUCCESS

SUBMISSION

ESTATE AGENTS REGULATIONS
CONTRACTS

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ABOUT REIV

The Real Estate Institute of Victoria has been the peak professional association for the Victorian real estate industry since 1936.

Over 2,000 real estate agencies in Victoria are members of the REIV. These members are located in city, rural and regional areas.

REIV member agencies employ more than 10,000 people in Victoria in a market which handles over \$100 billion of transactions totalling 30 per cent of GSP.

Members specialise in all facets of real estate, including: residential sales, commercial and industrial sales, auctions, business broking, buyers agency, property management, owners' corporations management and valuations.

Introduction

The REIV is the peak industry association for the real estate industry in Victoria, representing a significant number of the state's licensed estate agents and agents' representatives.

The review of the Estate Agents (Contracts) Regulations 2008 is of importance to our members as it impacts directly on their daily business practices.

As a number of key pieces of property legislation are currently being reviewed, including the Sale of Land Act 1962 and the Estate Agents Act 1980, the REIV is of the view that the 2008 Regulations should not be re-made on their expiry.

Instead, the REIV recommends that the current Regulations be extended for a 12 month period in order to include changes to the Sale of Land Act and Estate Agents Act currently being reviewed.

REIV Response

The following outcomes were gained from the member consultation process.

Regulation Improvements

Given the Estate Agents Act 1980 and the Sale of Land Act 1962 are currently being reviewed, the REIV urges Government to extend the current Estate Agents (Contracts) Regulations until these reviews are completed.

As outlined in our response to the Sale of Land & Business Options paper, the REIV suggests a number of repealed contract provisions be included in either the Sale of Land Act or in regulations made under it.

Feedback from REIV members indicates that the inclusion of modern-day equivalents of the former Seventh Schedule (Table A) to the Transfer of Land Act 1958 and the current Third Schedule to the Property Law Act 1958 would be of benefit to the public and could considerably shorten the contract of sale.

These repealed documents were previously an accepted source of general conditions applying to the sale of land.

As an adjunct, Section 53A (1)(a)(i) of the Estate Agents Act 1980 should be amended to permit estate agents or agents' representatives to 'fill up' a contract of sale. This would include the conditions of sale that the REIV proposes appear in the Sale of Land Act, or regulations made under it, just as they may now do so for contracts published in the 2008 Regulations.

Prescribed Contracts

Input from REIV members indicates that the prescribed Contract of Sale of Business is rarely used. It was widely criticised on its introduction and the REIV does not reproduce it. REIV commercial agents have suggested that sale of business contracts are predominantly produced by legal practitioners.

While the prescribed Contract of Sale of Real Estate has considerable merit, it is not widely used in its original format. Nonetheless, it is the basis of numerous contracts

for the sale of residential real estate in use in Victoria, other than off-the-plan sales. An example being the REIV-LIV jointly badged real estate contract.

Summary

As a long-term advocate of real estate agents in Victoria, the REIV thanks Consumer Affairs Victoria (CAV) for the opportunity to provide input to the remake of the Estate Agents (Contracts) Regulations 2008.

As outlined above, the REIV recommends the current regulations be extended for a 12 month period in order to reflect changes to the Sale of Land Act and Estate Agents Act.

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