

Your obligations to new home owners

What are my disclosure obligations?

If contacted by a prospective home owner, you must give them a disclosure statement before you can enter into a site agreement with them. This statement highlights the key aspects, including details of the fees and charges, that will be payable for a particular site and the services and facilities available in the community. Download the approved form of a Disclosure statement from the Forms section of the NSW Fair Trading website.

Either before, or at the same time as giving a disclosure statement, you must also give the prospective home owner a copy of the NSW Fair Trading brochure *Moving into a land lease community?* [PDF size: 482kb]. To order bulk copies of this brochure, go to the Order publications section of the Fair Trading website.

When must these documents be given?

You must provide the disclosure statement and Fair Trading publication at least 14 days before signing a site agreement. This is to give the prospective home owner time to think about the decision and seek advice. This 14 day period cannot be waived.

Signing up a new home owner

All home owners must enter into a written site agreement. Download the standard form of Site agreement prescribed under the law and available in the Forms section of the NSW Fair Trading website.

A site agreement does not have to be for any fixed period of time. An agreement can only be terminated in the limited grounds set out in the law. If an agreement is to be for a fixed period it must be for at least 3 years or more.

As well as a site agreement you will also need to provide a site condition report. This sets out the condition of the site that the home owner will be leasing. Download the standard Site condition report form prescribed under the

law and available in the Forms section of the NSW Fair Trading website.

Does the home owner have a cooling-off period?

In most cases, yes. A home owner generally has a 14 day cooling-off period if they change their mind. They can rescind (cancel) the agreement in writing during this period without having to pay any penalty.

The 14 day cooling-off period is waived if, before the end of the cooling-off period, the home owner:

- moves into the home, or
- causes a home to be placed, installed or erected on the site.

What fees and charges are permitted?

Once a site agreement is signed, you may:

- request a refundable deposit for a key or access device to the community. This refundable fee can be no greater than \$25.
- require a home owner to pay the cost of registering the site agreement with NSW Land and Property Information, if it is for a fixed period of 3 years or more.

You cannot require a prospective home owner to pay **any** fees and charges, including:

- charges for supplying disclosure material and other documents
- a fee for you to assess or consider their application to be a home owner
- any amount for the cost of you supplying or preparing a site agreement
- a reservation fee or holding deposit, other than a deposit to build or supply a home on the site under a separate agreement
- a rental bond
- bonds for utilities being provided.

www.fairtrading.nsw.gov.au
Fair Trading enquiries 13 32 20
TTY 1300 723 404
Language assistance 13 14 50

This fact sheet must not be relied on as legal advice. For more information about this topic, refer to the appropriate legislation.

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