

# MEDIA RELEASE

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**TASMANIA  
LAW REFORM  
INSTITUTE**



UNIVERSITY  
OF TASMANIA

## ATTENTION: Chiefs of Staff, News Directors

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The Tasmania Law Reform Institute today released its Final Report No. 5:

### **Vendor Disclosure**

This report discusses reforming the law in relation to the duty on vendors of residential real estate to disclose information about their property to potential purchasers. Legislation requiring this type of disclosure already operates in NSW, Vic and SA, and is to come into effect in the ACT in July this year.

For many people, buying a home is the largest financial investment they will ever make. The financial and emotional significance of this purchase means that purchasers want to get it right – they want to choose a property that suits their needs and desires and they want to pay a fair price.

Assessing these factors requires *information*. Prospective purchasers can gather a lot of information by inspecting a property. But not all important information about a property can be learnt from the usual physical inspections. The legal status of the land and buildings on it cannot usually be determined. There may also be hidden problems with the land or buildings, such as that it is prone to flooding, or has rising damp. Discovering these things may require making enquiries of various bodies such as the Land Titles Office, the local council or neighbours.

Making these enquires can be costly and time consuming, and many prospective purchasers in Tasmania do not make them. Under marketplace pressure or simply excited by finding a suitable property, they often sign a contract before obtaining any legal advice, unaware of potentially important hidden information.

This means that when most properties are bought and sold in Tasmania there is a significant information asymmetry: *the seller knows much more about the property than the buyer*. This clearly has the potential to put the buyer at a significant disadvantage, both in deciding whether to buy the property and in negotiating a fair price. **Vendor disclosure** aims to address this disadvantage, by giving potential purchasers information about the property *before* they decide whether to buy it or not.

The Final Report outlines:

- the current law in relation to vendor disclosure;
- the reasons why we need legislation requiring vendor disclosure;
- reforms in other Australian jurisdictions works.

The report then makes detailed recommendations for the process and content of vendor disclosure legislation, including the remedies that would be available where a loss results from non-disclosure. The topic of this law reform project was proposed by the Law Reform Institute's Property Law Reform Group.

### **FURTHER INFORMATION/INTERVIEWS:**

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**The Issues Paper can be downloaded from [www.law.utas.edu.au/reform/](http://www.law.utas.edu.au/reform/)  
or a copy of the Issues Paper can be sent to any group or person, contact:**

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