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## NEWS

# New REIQ standard commercial contracts released

Earlier this year, the Real Estate Institute of Queensland's (REIQ) standard residential property contracts were updated. Now the REIQ has released the latest edition of the standard forms of contract for commercial property for use from 21 July 2022. Here, Helen Wu (senior associate) provides a snapshot of the key changes.

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## KEY CHANGES

Our February 2022 article, *New standard REIQ residential contracts*, summarised the key changes made to the residential contracts. For the most part, the updated commercial contracts reflect those changes, including:

The insertion of rights for both buyers and sellers to extend the date for settlement by up to five business days after the scheduled date for settlement. These rights can be exercised unilaterally (ie without the need for the other party to agree) and at any time up until 4.00pm on the settlement date. This could have serious impacts if you (as a seller) have another transaction dependent on receiving the sale proceeds by a certain date. There could also be unintended land tax consequences for settlements which extend over the end of financial year.

- Allowing payment of deposits by direct debit and providing a grace period to address the impact of delays in the receipt of money into accounts when using electronic payment methods.
- New seller warranties stating the seller has not received any communication from a competent authority that may lead to the issuing of a show cause notice, enforcement notice, or notice to do work.
- New rights for a buyer to terminate if infrastructure unrelated to the delivery of services (such as gas, water and electricity) pass through the land and are not protected by a registered easement, building management statement, or statutory authority that has been disclosed to the buyer.
- Amendments to change the responsibility for the notices to do work depending on when the notice issued, when compliance with the notice is required, and whether the notice has been disclosed to the buyer prior to contract.

The above is not an exhaustive list and is only a summary of the key amendments.

If you are looking to buy or sell commercial property, you should review the contract terms carefully before signing and seek advice. Our [Real Estate team](#) can assist with preparing, reviewing, and negotiating commercial contracts.

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