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SUBJECT TO SALE CONTRACTS...

Not worth the paper they're written on

It remains legal in this state for options to be taken out on residential property through contracts that are subject to the sale of other residential property.

Whilst such subject to sale contracts occasionally proceed to settlement, they usually don't, resulting in a messy lose lose situation for all parties.

First of all the Buyers lose, because they generally have to offer more than they might otherwise have to in order to get sellers to consider such a 'get out of jail free' contractual clause.

Vendors lose because subject to sale contracts rarely proceed without price reductions as Buyers who bought the property at the inflated price dictated by the subject to sale provision not surprisingly expect an inflated price on their own property to justify the higher price they paid, which they rarely get.

Agents lose because when the sale falls apart, they have to wear the fallout from recommending such a process.

Worst of all, all parties end up totally confused as to what their property is really worth in the current market.