



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM  
Mr Jeremy Hanson MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair),  
Ms Suzanne Orr MLA, Mr Mark Parton MLA

## Submission Cover Sheet

### Inquiry into Building Quality in the ACT

**Submission Number: 002**

**Date Authorised for Publication: 16 May 2018**

Committee Secretary  
Standing Committee on Economic Development and Tourism  
Legislative Assembly for the ACT  
GPO Box 1020  
CANBERRA ACT 2601

**Submission to inquiry into building quality in the ACT**

Dear Sir/Madam,

I wish to make a submission to the Committee's inquiry into building quality in the ACT. I note in particular your reference to 'delays in supply and construction' on page 3 of your discussion paper.

*Apartment purchase – [REDACTED]*

In this submission I refer to the apartment development [REDACTED]. To my knowledge, the businesses associated with this development are:

[REDACTED]  
[REDACTED]  
[REDACTED]

On 2 July 2015, [REDACTED] advertised the 'grand opening' of [REDACTED] in the Canberra Weekly magazine. The advertisement states in small text at the bottom left 'Subject to DA approval'. Unfortunately I did not notice this caveat at the time and did not become aware of the significance of this issue until much later. Neither the sales agent nor my conveyancer made me aware of the possible implications of the fact that development approval had not yet been obtained.

In July 2015 I attended the 'grand opening'. At that time the block was still undeveloped. I purchased a unit off the plan in July 2015 and paid a 5% deposit of \$[REDACTED]

There was little communication from the developers about [REDACTED] until April 2017. Between the period of around July 2015 and late 2016, the block remained undeveloped. In early 2017 I noticed that some preliminary work had commenced.

In April 2017, the developer's solicitors wrote to purchasers stating that development approval had been obtained and that construction had commenced. No explanation was provided in the letter as to why it took so long to obtain approval. However, my understanding is that the original plans submitted by the developers had deficiencies in the architect's plans, resulting in the design having to be reconsidered and submitted again.

On 18 May 2017 the developers wrote to purchasers stating that excavation had commenced in November 2016 and that 'construction is well underway'. The letter stated they expected completion in July 2018 with settlement in August/September 2018.

On 4 February 2018 I wrote to the ACT Minister responsible for this issue. On 29 March 2018 I received a response from Minister Shane Rattenbury (Attachment C). The letter stated as follows:

Access Canberra Construction Compliance has reviewed the Development Application (DA) for this site and advised that to comply with the current DA building work needed to commence within two years from 14 November 2016. The DA approval will expire if the development is not completed within two years from the commencement date. It is possible to extend a DA period beyond its initial two year period as long as the application to extend is made before the DA expires.

It appears from what is stated in the Minister's letter that further delays in the development would be permissible under ACT law.

Overall, the most significant issue in my opinion is the failure by both the sales agent and the conveyancers to inform me of the possible consequences of the development not yet having approval.

As of April 2018, construction remains ongoing at [REDACTED]. If the development process proceeds as stated in the communication from the developer of 18 May 2017, settlement will occur more than three years after the original sales process. This is an unreasonably long period of time.

I am a first home buyer and have been obliged to rent during the period of time when [REDACTED] has been delayed. The money that I spent on rent during that time would have been much better put into my own property. In addition, during that time the property developer would have received interest on the deposit that I paid.

#### RECOMMENDATIONS

1. That lawyers/conveyancers for purchasers, and sales agents for developers, be specifically required to point out to purchasers if an off the plan development has not yet received approval, and the possible consequences of that issue.
2. If development approval has not yet been obtained when an off the plan development is being advertised, sales agents should be required to provide prospective purchasers with an indication as to progress of the development application and when it is expected that approval might be obtained.
3. If a person purchases a property off the plan and development approval is not obtained within a reasonable period of time (perhaps 3-6 months), the purchaser should be informed and be given the opportunity to rescind the purchase with a full refund (including interest).

Andrew MARTIN

GUNGAHLIN ACT