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PUT AND CALL OPTIONS FREQUENTLY ASKED QUESTIONS

Information for licensed builders and developers 28 August 2019

1. What are Put and Call options?

Put and Call Options are a tool used to allow buyers and sellers to enter into an agreement for the future sale or purchase of land at an agreed price via a deed.

2. What are the benefits of Put and Call options?

Put and Call options provide an opportunity to secure blocks of land from the Suburban Land Agency with a modest upfront cash commitment.

Additional benefits of leveraging Put and Call options include:

- a. Options can be granted on blocks based on your preferred style of product;
- b. You can design a house specifically for a block;
- c. You can commence building shortly after a buyer is identified;
- d. Stamp duty is paid by the buyer of the land;
- e. Holding costs are reduced; and
- f. The Suburban Land Agency will make your details available to interested buyers in the estate via their website.

3. What are the criteria to meet?

To participate you must hold a minimum of a Class C Building licence, have built at least five (5) properties in each of the last two (2) years, advise us of any listings you or a related party have had on the Disciplinary Register in the last two years and provide evidence of Fidelity Insurance.

For more information, please refer to the Put and Call Application Form.

4. How long is my application valid for?

Applications are valid for 12 months, unless your circumstances change.

5. How do I obtain a fidelity certificate or Housing Indemnity Insurance?

There are several providers you can get in touch with including: Master Builders Association, Housing Industry Association and QBE. Please contact your preferred provider directly.

6. What do I need to pay and when?

You will need to pay a first security sum instalment equal to five percent of the value of each block when you enter into the Option Deed. This may be applied to the deposit when contracts are exchanged or refunded when your nominee exchanges. The balance of the contract price is payable at settlement. You will also be required to pay legal costs of \$550 when entering into the Deed and a Nomination fee of \$440 when nominating a buyer.



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7. What information do I need to provide to let clients know I have blocks available?

In addition to your normal sales and marketing, you will be required to provide the name of a contact person within your team that will be included on the Suburban Land Agency website.

8. Will I be getting assistance to sell the block?

The blocks will be promoted on the Suburban Land Agency website through the interactive map. In addition, a marketing pack from Suburban Land Agency will be provided for each estate.

9. How long will I be able to hold on to the block?

The call option period will be a maximum of six (6) months. Once the Call option period ends, the Put option will be exercised, and you will be required to purchase the block if you have not found a buyer.

10. How long will Put and Call options be available for?

At this stage, a limited number of blocks have been identified for this initiative. A review of this program will be undertaken periodically.

11. How many blocks can I hold on to?

You can choose to have between one (1) and five (5) blocks across the Suburban Land Agency's estates at one time. If a contract has been exchanged on a block with another buyer, you may choose an additional block. You can only have a maximum of five (5) blocks in total at any point in time.

12. What happens if I'm unable to sell the block?

If blocks are not sold within the six month call option period, you will be required to purchase the block.

13. What price can I sell the land for?

You must sell the land for the price on the Contract. You are not permitted to charge a "finder's fee" or any additional charges in relation to the purchase of the land. Failure to comply with this condition will disqualify you from participating in future Put and Call processes.

14. Do I need my plans to build approved by the Suburban Land Agency?

No, only the normal building process will apply.

15. What can I do on the block before settlement?

You can design a home, lodge a DA (with an authorisation from the Suburban Land Agency), market your house & land package including putting an approved for sale sign on the block and meeting clients on site.

16. What am I not allowed to do before settlement?

You may not commence any physical construction work prior to settlement including site cuts, clearing or footings. You may not use the block for storage of materials, equipment or a sales suite.

17. Who can I speak to for more information on Put and Call Options?

Please contact our sales agents directly. Contact Civium Property Group for blocks in Throsby, North Wright and North Coombs and Independent for blocks in Taylor.