



**QUINN &  
SCATTINI**

**Lawyers**

## Q & S CONVEYANCING UPDATE

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### SALE OF ADJOINING PROPERTIES BY JOINT VENTURE NEIGHBOURS

We were recently contacted by a client who had engaged an agent to market his property for sale jointly with two other adjoining properties owned by his neighbours.

By combining to sell their properties the Sellers agent reasoned that it would be more attractive to a wider cross section of potential buyers such as developers and their aim was to achieve a higher price than if they were sold individually.

This is a growing trend in areas where rezoning or higher density of development of key properties is available where the land holding exceeds a base land holding.

Usually this type of sale is dependent on all contracts settling at the same time. Problems can arise if one of the sellers changes their mind or because circumstances arise after the contract is signed but before settlement ( eg divorce mortgage default) and the seller cannot complete the sale then the whole deal may fall flat on its head.

Our client saw that this could become a problem and asked us what he could do to prevent this from happening. In our client's situation, we suggested that he and his neighbours enter into a Joint Venture Agreement.

A Joint Venture is an association of persons for a particular trading, commercial or other endeavour with a view to make mutual profit. Each participant usually but not necessarily contributes money, property or skill. The association is usually for the participation in a single project rather than a continuing business.

A Joint Venture Agreement defines each party's obligations in the joint sale of their properties and describes how the purchase price will be split between them.

The cost of preparing such an Agreement depends on the complexity of its terms but is in the range of \$800 to \$1,200.00.

We suggest that where an agent encounters such an opportunity they raise with the Sellers the desirability of a Joint Venture Agreement to define and record their rights and obligations.

#### **Michael Quinn, Partner**

If you would like to ask any question about this or any other similar issue Michael may be contacted on 3211 2495 between 8.30am to 5pm Monday to Friday.

*Quinn & Scattini Lawyers has offices in Brisbane, Beenleigh, Caboolture, Southport, Ipswich and Cleveland. In addition to residential and commercial conveyancing services, our team of experienced lawyers practice in Business Law, Commercial Litigation, Property Law, Wills & Estates, Criminal Law and Family Law.*



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