

26 May 2020

To whom it may concern

Re: Auctions by Openn Negotiation in SA

We have been asked by PP Valley Pty Ltd ACN 612338477 (trading as “Openn Negotiation”) to:

- A provide legal advice as to whether the Openn Negotiation online application (“App”) and the Openn Negotiation auction procedure comply with South Australian law, particularly the Land and Business (Sale and Conveyancing) Act and its Regulations;
- B review and settle “Annexure A – Agreement to use the Openn Negotiation process” and “Bidding Rules and Offer Terms of Use” (the “Contracts”); and
- C review and settle the wording of Contracts of Sale of Real Estate in circumstances where a property is being sold on the Openn Negotiation App.

We have advised Openn Negotiation that use by real estate agents, vendors, auctioneers and bidders of the Openn Negotiation Contracts and App will not infringe the provisions of relevant South Australian laws, including the Land and Business (Sale and Conveyancing) Act and its Regulations.

There are rules in the legislation which real estate agents and auctioneers must comply with in the conduct of all auctions, wherever and however a real estate auction is being conducted in SA. Real estate agents and auctioneers should therefore be aware that those legal obligations still need to be complied with when the Openn Negotiation system is being used.

We have also specifically advised Openn Negotiation that the specification or declaration of an online bid will not constitute underquoting, and can be advertised, so long as it remains quite clear that the online bid is a bid from an interested purchaser, and is not (nor could be interpreted to be) an opinion or statement as to a possible or likely sales price by the vendor, agent or auctioneer.

Our advice is that proper use of the Openn Negotiation Contracts and App will not, of itself, breach relevant South Australian laws and regulations.

Yours faithfully



Richard Phillips

Consultant

