Andrew Douglas Solicitors

The Cooling-Off Period: What are my rights?

A guide for Queensland residential property buyers | 3 July 2026

Buying a home or investment property in Queensland is one of the most significant financial decisions most people will ever make. Once you sign a residential property contract, you may feel locked in — but in most cases, the law gives you a brief window to reconsider. That window is called the statutory cooling-off period.

This article explains what the cooling-off period is, when it starts and ends, how to use it, the cost of exercising it, and when it does not apply. It also covers the warning statement that must appear in your contract and the seller disclosure scheme that has been in force since 1 August 2025.

What is the cooling-off period?

In Queensland, most residential property contracts are subject to a **5 business day statutory cooling-off period** under the *Property Occupations Act 2014* (Qld). The cooling-off period gives a buyer the right to terminate the contract within that timeframe for any reason — including simply changing their mind — without needing to point to a defect in the property or a breach by the seller.

The right belongs to the buyer only. The seller cannot terminate the contract under the cooling-off provisions.

When does the cooling-off period start and end?

The cooling-off period starts on the day the buyer receives a copy of the contract signed by both parties. If the buyer receives the signed contract on a weekend or a public holiday, the period starts on the next business day.

The period ends at 5:00 pm on the fifth business day after it starts.

> **Example:** If the buyer receives the fully signed contract at any time on a Monday and there are no public holidays during that week, the cooling-off period will end at 5:00 pm on Friday.

Where there is a dispute about when the buyer received the signed contract, it is the seller or the seller's agent who bears the burden of proving the date and time of delivery.

If the seller signs first and the buyer signs later, the buyer is generally taken to have received the contract when the buyer has both signed it and communicated acceptance to the seller. If a representative (such as a solicitor) receives the signed contract on the buyer's behalf, the cooling-off period may begin from that receipt.

How does a buyer terminate during the cooling-off period?

To exercise the cooling-off right, the buyer must give **written notice of termination** before 5:00 pm on the fifth business day. The notice may be delivered in person, by email, or by fax.

The precise notice requirements should be checked against the contract itself. The contract may specify particular addresses, email addresses, or notice provisions that affect whether notice is validly served. It is advisable to confirm the correct method and recipient with your solicitor before sending the notice.

No reason needs to be given. The cooling-off right is a 'change of mind' right.

What is the termination penalty?

Exercising the cooling-off right is not entirely cost-free. If the buyer terminates during the cooling-off period, the seller is entitled to deduct a penalty of up to **0.25% of the purchase price** from the deposit. The balance of the deposit must be refunded to the buyer within 14 days.

The seller may choose not to charge the penalty, but the statutory maximum is 0.25% of the purchase price. The following table illustrates how the penalty applies on an $800,000 purchase:

Item	Amount
Purchase price	$800,000
Maximum penalty rate	0.25%
Maximum penalty payable	$2,000
Deposit refund (if deposit paid)	Deposit less $2,000, within 14 days

What if no deposit has been paid yet?

Important — no deposit does not always mean no penalty

A buyer should not assume that withholding payment of the deposit will always avoid liability for the cooling-off termination penalty as it depends on the facts.

Queensland authority held for example, that the cancelling of a deposit paid by cheque does not remove a buyer's liability for the 0.25% penalty. If so, the seller may still demand payment of the penalty amount and, if it is not paid voluntarily, may seek to recover it as a debt.

Before deciding to terminate during the cooling-off period, buyers should consider the practical implications of the penalty and get advice including the likely outcome where a deposit has not yet been handed over to the agent or seller.

Can the cooling-off period be waived or shortened?

Yes. A buyer may **waive or shorten** the cooling-off period by providing written notice to that effect. The written notice must state either that the buyer waives the cooling-off period entirely, or that the cooling-off period will end at 5:00 pm on a specified earlier day.

Waiving or shortening the cooling-off period removes or reduces a significant statutory protection. Buyers should obtain legal advice before agreeing to do so. Once the cooling-off period has expired or been waived, the buyer must proceed with the contract unless another contractual or statutory right to terminate is available.

When does the cooling-off period not apply?

The cooling-off period does not apply to every residential property purchase. Common exemptions include:

- a sale by public auction;
- a sale following an unsuccessful auction, where it occurs before 5:00 pm on the second business day after the auction and the buyer was a registered bidder at the auction;
- certain option arrangements;
- a buyer that is a publicly listed corporation or a subsidiary of one;
- a buyer that is the State or a statutory body; and
- a buyer acquiring at least three lots at the same time.

> **Auction purchases:** If you buy at auction, the contract is generally unconditional immediately and there is no cooling-off period. The exemption may also apply to a private sale negotiated with you in the days immediately following an unsuccessful auction if you were a registered bidder. Take care to confirm whether any exemption applies to your transaction before you sign.

Does the cooling-off period replace finance, building and pest or due diligence conditions?

No — and this is one of the most important points for buyers to understand.

The cooling-off period is entirely separate from contractual conditions. It does not substitute for a finance condition, a building and pest inspection condition, a due diligence condition, a sale of another property condition, or search conditions. Those conditions must be expressly included in the contract before you sign it. If they are not in the contract, they are not legally binding.

The cooling-off period is **short**. Many searches and investigations — including finance assessments, building and pest inspections, strata records reviews, and council searches — cannot be completed within 5 business days. For this reason, buyers who want protection beyond the cooling-off period should ensure that appropriate conditions are included in the contract.

After the cooling-off period expires, a buyer who holds an unconditional contract will generally be required to proceed to settlement. A buyer who signed an unconditional contract without adequate conditions may have very limited ability to withdraw simply because a problem is discovered later.

What warning statement must appear in the contract?

For Queensland residential sale contracts governed by the *Property Occupations Act 2014* (Qld), the contract must include a statutory warning statement. The warning statement must appear **directly above the buyer's signature block** on the same page as the buyer's signature space, and it must be obvious, clear and legible.

The required warning statement advises buyers that the contract may be subject to a 5 business day statutory cooling-off period, that a termination penalty of 0.25% of the purchase price applies if the buyer terminates during that period, and that the buyer should obtain an independent property valuation and independent legal advice before signing.

Failure to include the warning statement is an offence by the seller or the seller's agent who provides the contract to the buyer. However, the current regime does not generally entitle the buyer to terminate the contract solely because the warning statement is missing.

How does the seller disclosure regime affect buyers?

From **1 August 2025**, Queensland's seller disclosure scheme under the *Property Law Act 2023* (Qld) operates alongside the cooling-off and warning statement regime.

Before a buyer signs a contract for the sale of certain property in Queensland, the seller must provide the buyer with a seller disclosure statement and prescribed certificates. The disclosure documents are designed to give buyers key information about the property — including title details, rates, and other prescribed matters — before they commit to the contract.

If the seller fails to comply with the disclosure scheme — for example, by not providing the disclosure documents before the buyer signs, or by providing disclosure that is inaccurate or incomplete — the buyer may have the right to terminate the contract before settlement. Where the issue is inaccuracy or incompleteness, the buyer will generally need to show that the matter was material, that the buyer was unaware of it when signing, and that the buyer would not have entered into the contract had they known the truth.

The seller disclosure regime is separate from the cooling-off period. A buyer's cooling-off rights will usually expire after 5 business days, but seller disclosure rights may remain available up until settlement if the statutory criteria are satisfied. Buyers should ensure they have received and reviewed the disclosure documents before signing.

Practical tips for Queensland buyers

Before signing a residential property contract in Queensland, consider the following:

- Confirm that your purchase is residential property covered by the cooling-off regime, and check whether any exemption — particularly an auction-related exemption — applies.
- Note carefully when the fully signed contract will be returned to you, as that is when the cooling-off period begins.
- Calculate the exact date and time the cooling-off period expires and record it clearly.
- Do not waive or shorten the cooling-off period without obtaining legal advice first.
- Ensure that any finance, building and pest inspection, due diligence, or search conditions you require are included in the contract before you sign — the cooling-off period is not a substitute.
- Check that the statutory warning statement appears directly above your signature block on the contract.
- Confirm that you have received the seller disclosure statement and prescribed certificates before signing, and review them carefully.
- Be aware that if you terminate during the cooling-off period, the seller may charge a penalty of up to 0.25% of the purchase price — even if you have not yet paid a deposit.
- Seek independent legal advice before signing, particularly for unconditional contracts or contracts with non-standard conditions.

Key Takeaway

For most Queensland residential property purchases, a buyer has a 5 business day cooling-off period ending at 5:00 pm on the fifth business day. During that period, the buyer may terminate by written notice — but the seller may charge a termination penalty of up to 0.25% of the purchase price, even if no deposit has been paid. The cooling-off right is valuable, but it is short and it does not replace properly drafted finance, building and pest, search, or due diligence conditions. It does not apply to auction purchases. From 1 August 2025, the seller disclosure scheme under the *Property Law Act 2023* (Qld) operates alongside cooling-off and may provide additional rights up to settlement in appropriate cases.

Always obtain independent legal advice before signing a property contract.

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