



**USE OF “ENTIRE
AGREEMENT”
CLAUSES IN
CONTRACTS FOR
THE SALE OF
RESIDENTIAL
PROPERTY**

The Conveyancing Committee is concerned to note that the use of “entire agreement” clauses in contracts for the sale of residential property appears to be increasing.

While these clauses may take different forms they essentially preclude a purchaser from relying on any advertisement or statement oral or in writing, whether or not in the course of any negotiations for the sale by the vendor or the vendor’s agent and that the contract for sale represents the entire terms and conditions of the agreement between the parties.

“Entire agreement” clauses are commonly found in mergers and acquisitions agreements and are not unreasonable there. In such transactions the prospective purchaser will have carried out comprehensive “due diligence” and significant warranties on a number of matters will have been included in the agreement.

An entire agreement clause in a contract for sale of residential property will not only prevent the purchaser from relying on any advertisement, brochure or representation made or published by or on behalf of the vendor, but also any replies given to a purchaser in pre-contract enquiries. It will also exclude any oral answers given in reply to questions raised at an auction as well as to any statements made by the vendor to the purchaser.

The Conveyancing Committee takes the view that such clauses should not be included in agreements for the sale of residential property, whether by auction or private treaty.