

# Selling your home in Queensland – Further Information

## Listing Authority with Home Marketing QLD

In order to authorize Home Marketing QLD to market and sell your home, you will be required to enter into an agreement to do so. This document, known as a Form 6, will specify the length of time we will be appointed for (max allowed is 90 days), the marketing method and price, the type of agency, the commission we will be charging, and the marketing budget that will be used to advertise your property (if any).

## Length and Type of Listing Authority

The maximum timeframe for the agreement allowed by law is 90 days, however, the agreement can be terminated by giving written notice of 30 days, but the appointment must run for a minimum of 60 days. The agreement can be terminated at any time by mutual agreement in writing.

***There are 3 types of agency agreements you can enter into.***

**Exclusive Agency** – You appoint a single agent to sell the property and the agent is paid commission whether they or anyone else sells the property during the term of the appointment. **Home Marketing QLD only operates on an exclusive listing authority.**

**Sole Agency** – You appoint a single agent to sell your property and retain the right to sell the property privately and should you sell the property privately and the agent was not the effective cause of sale, you do not need to pay the agent any commission.

**Open Listing** – You appoint the agent to sell your property, but retain the right to appoint other agents simultaneously to sell your property. The appointment can be terminated at any time by giving written notice and no end date is required for an open listing. The agent is entitled to the agreed commission if the agent is the effective cause of sale.

## Method of Sale

The two most common methods for selling a home in Queensland are by Private Treaty or via an Auction. Private treaty is the preferred method of sale by Home Marketing QLD however we can discuss any questions about auctions with you.

Private Treaty is where the property is advertised for sale and is sold by private negotiation with prospective buyers. This method of sale still allows for a variety of marketing approaches (advertised with or without pricing by offers etc), all which we can discuss with you to ensure we get it right for your property.

## Ensuring your home is ready to sell

Once we have the listing authority in place, you will need to prepare your house for sale to present the home in its best condition. Presentation is key with regards to obtaining the highest possible price for your home and it's extremely important to create the best first impression for any buyer. There are different lengths one can go to improving presentation, but there are a few basic things you can do to make the most of what your home has to offer.

### Other obligations of the Seller

Electrical Safety Switch – An approved electrical safety switch **MUST** be installed in the residence.

Smoke Alarms – Compliant Smoke alarms **MUST** be installed in the residence.

### Property Inspections – Open Home vs Private Inspections

Once your property is advertised, there are essentially two options with regards to buyer inspections.

1. The first is the traditional “Open Home”. This is a time that is advertised for any person who is interested in viewing your property to come view. This is traditionally done on a Saturday with a half hour to one hour window however due to weekend commitments for many purchasers, midweek afternoon/evening open times are often successful. The agent will record details of all parties that enter the property.
2. The second is to arrange private inspections for buyers who may not be able to attend the open home or for buyers with whom it will be more beneficial to have more intimate communication with.

There are advantages to both methods of inspection and this can be tailored to meet your preferences and circumstances. The advantage of the open home is that it allows for more buyers to view your home at one time and thus creates a more competitive environment. The advantage of the private inspection is that it allows the agent to develop a more meaningful relationship with the buyer and thus be in a position to understand their position and negotiate more effectively for a higher price.

It is always advisable for the owner **not to be present** during inspections. Buyers are often intimidated by the presence of the owner and are very reluctant to engage in meaningful conversation with regards to opinion of the property and price. All open for inspections are carried out with Physical distancing measures advised to all that enter the premises and for any touching of items within the home to be kept to a minimum.

**Covid-19** regulations for open homes will be adhered to and may affect the ability to conduct inspections throughout the listing period. Any disruptions, or changes to the method of allowing people through the home will be discussed with you as required.

### Negotiating with a buyer and Qualification

Once a potential buyer has voiced an interest in your property, it's our job to negotiate and achieve the highest price the buyer is willing and able to pay for your property. This is often a process of back and forth negotiation and can be a demanding time for the owner. It is

best to trust in the skill of our agents and understand that it is a process to get to the final highest price that the buyer is willing to pay. A process of qualification of that potential purchaser is crucial to ensure they are the correct and appropriate people to be entering into any contract. We will do our best to ensure the client is prepared and able to complete the contract and settle on the property before entering into a contract.

### **Entering into a sale contract: The Conditional Contract – The Unconditional Contract**

Once a price and other details have been agreed upon, the contract document is prepared and signed firstly by the purchaser and then executed and dated by the vendor. This date will become the effective starting date of the contract and all conditions relating to time on the contract will be calculated from this date.

**The Conditional Contract** – this is a contract in which there are still conditions to be met before the contract becomes binding. Most contracts will be subject to a 5 business day statutory cooling-off period, during which time the buyer can terminate the contract and pay a termination penalty of 0.25% of the purchase price.

The most common conditions to be met before a contract becomes unconditional are *“Finance”* and *“Building & Pest Inspections”*.

The condition of *“Finance”* allows for a length of time, usually between 21 to 30 days, for the buyer to obtain finance from a financial institution. If the buyer fails to obtain finance, the contract will be cancelled with no penalties to the buyer.

The condition of *“Building & Pest Inspection”* allows for a length of time, usually between 7 to 14 days, for the buyer to arrange for an inspection of the property by experts to assess the building condition and if the property has been affected by termites (or anything else!). Depending on the outcome of these inspections, the buyer may accept the property as is, or negotiate for rectification of any problems or reduction in the price, or the buyer may cancel the contract without any penalty.

If you know of any issues that will arise during these inspections, it can be advantageous to arrange for inspections to be conducted before going to market as it is much easier to deal with known issues than to have them come up as a surprise and damage any negotiating position down the line.

**The Unconditional Contract** – this is a contract where all conditions have been met. The buyer and seller now do not have any option to cancel the contract and the sale of the property will proceed to settlement. A contract entered into without any conditions specified can be unconditional on signing.

## **The rights and obligations of the buyer and seller**

Once a contract has been entered into, it is the buyers' responsibility to insure the property. Once unconditional, the buyer has a legal right to view the property one more time prior to settlement, this is called the pre-settlement inspection. This is usually done a couple of days prior to settlement by choice of the buyer. The agent will be present at all inspections.

## **Settlement**

On the scheduled settlement day, ownership of the property will pass from the seller to the buyer. This will be at an appointed time on the day (usually now done online) and notification will be given to all parties by the solicitors once this has been completed. The agent will collect keys from the owner and will have the keys ready to handover to the buyer only once settlement has occurred and formal notification has been received. The seller is obligated to have vacated and cleaned the property prior to settlement.