

SELL YOUR PROPERTY PRIVATELY



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WHY SELL PRIVATELY

To save money.

You will save yourself thousands of dollars in Real Estate agents fees.

Real Estate Agents typically charge 3.95% plus a \$500.00 listing fee plus G.S.T.

Typical fees on a property worth \$200,000 are \$9,387.00

“ “ “ “ “ \$300,000 “ \$13,832.00

“ “ “ “ “ \$400,000 “ \$17,127.00

“ “ “ “ “ \$500,000 “ \$19,177.00

Real estate agents will typically quote a percentage (e.g. 3.95%) for fees rather than a set amount like \$17,000.00. It sounds less expensive that way.

Real Estate Agents fees are not scaled depending on the time and work that goes into selling your property. If it has only been on the market a few days the full fee will be payable.

To make money.

You should achieve a higher price for your property as you are the **only one** interested in getting the maximum price. A good real estate salesperson should achieve you the best price but remember real estate sales people are motivated by the high commissions so typically they will take the path of least resistance in order to obtain a quick commission.

You know your home best.

You know the sun pours into the living area in winter so you have low power bills. You know the walls are insulated. The list goes on and it can be difficult to pass all this on to a real estate salesperson. Then you can't be sure the real estate salesperson most familiar with your property is always going to be the one bringing a buyer to inspect.

Most importantly you know the best time of the day to show your home at its best and you make your viewing appointments accordingly. This can make all the difference in achieving a sale.

Typically real estate sales people will arrive at any time that suits them and their buyer.

Control the sale.

Many people feel they lose control using a real estate agent. You only know they have been when they leave a card on your bench. It is important you meet the buyer and dictate what time they view.

Typical comments of real estate sales people to buyers are:-

- The owners are asking \$250,000 but I feel they will look at \$230,000.
- Let's just take them an offer.
- As a cash buyer you can pay less.

They forget it is you that is paying them a fee for them to work for you. With buyers conditioned in such a way how can you expect to get your maximum price?

Private sales trend.

As house prices rise real estate fees rise as they are a percentage. As a result property owners are becoming increasingly aware of how expensive it can be to sell a property causing a trend to private selling.

Buyers are also aware that real estate fees tend to push prices up. It is buyers paying the price so therefore they are giving more attention to private sales.

What does a real estate agent do that you can't do yourself? The answer is absolutely nothing.

A real estate agent:-

1. Lists your property.
2. Prices your property.
3. Advertises your property and generally you pay for advertisements.
4. Handles response.
5. Shows your property.
6. Runs open homes on your property.
7. Negotiates a sale price on your property.

8. Prepares contracts.

The chapters in this publication guide you through how to:-

1. Price your property.
2. Advertise your property.
3. Handle response.
4. Show your property.
5. Run an open home.
6. Negotiate price.
7. Prepare contracts.

So why not do it yourself to avoid high Real Estate Agents fees and obtain the maximum price.

It is that easy.

PREPARING YOUR PROPERTY

There are typically two types of buyers.

1. Buyers who expect to find a property they can buy and move into with no work to do.
2. Then there are buyers who are looking for a property that has been price adjusted to allow for its condition. These buyers are looking to reap the rewards of capital gain through their efforts and investment.

You will know which buyer you are going to attract depending on the condition of your property.

You must consider whether you want to put in the effort and investment to try to get that capital gain or leave your property as is and let the buyer speculate on capital gain. In making this consideration you must be aware that you could spend more money than it would return and your efforts are wasted (known as “over capitalizing”).

If your property is going to appeal to the buyer looking for the property that requires no work then you must maximize that appeal.

Remember that the first impression is a lasting impression. Therefore you must work on the “Street appeal”.

The least expensive way of improving the appeal of a property is to present your garden and section at its best.

An investment in employing a professional gardening franchise company should be considered.

Gardens should be weeded and lawns maintained.

Exterior maintenance should be completed.

Any exterior paint work should be brought up to scratch.

All fencing should be tidied.

Interior paint work and papering should be up to scratch.

An investment in a carpet cleaner will not only be noticed it will eliminate any lingering odors.

Remember a little investment of money and time in increasing the appeal of your property should not only result in a quicker sale of your property it should maximize your price.

PRICING YOUR PROPERTY

To achieve maximum value for your property it is critical that you get the price right.

Overpriced properties sit on the market which results in them realizing less than their true value.

A commonly asked question from buyers is "how long has this property been on the market?" An answer of any more than two weeks will leave the buyer mentally questioning what is wrong with it when the simple answer is it is overpriced.

Be prepared to have buyers heavily discount the property for every week over two weeks that it sits on the market.

Then if you underprice your property you obviously get less than its true value. If your property is underpriced buyers may mentally ask themselves what is wrong with the property, when the simple answer is it is underpriced.

Most buyers don't buy the first home they view so as they view properties they educate themselves as to property values.

A quick sale does not necessarily mean your property was underpriced it could well mean the price was "bang on" and the buyer will act fast to avoid missing it.

So how do you set your price and get it right?

Do just what the buyers are doing. That is visit open homes on the market on properties similar to yours that buyers for your property will be viewing. Compare your property to similar properties that have sold in your area.

The idea is to become as educated as the buyers that are to view your property. There is nothing hard about that and the effort will pay off immensely.

You may consider obtaining a registered valuation. This will cost you around \$400.00 on the average property. This valuation will give you the sales value for properties comparable to yours.

We also suggest you research property of your type in your area on the following helpful websites.

<http://www.qv.co.nz>

<http://www.terranet.co.nz>

<http://www.zoodle.co.nz>

In establishing a price you will need to add on a small margin which should be no more than 10%.

It is rare for a buyer to initially offer you your asking price so you allow this margin for negotiation.

No price marketing.

Obviously if you don't put a price on your property you can't get it wrong.

You should consider that a buyer may value your property higher than you would.

For this reason you should read on and seriously consider "No price marketing".

There are three main methods of marketing property without a price.

1. Price by negotiation.

Here you are simply asking buyers to make you a starting offer that can be negotiated to a satisfactory result. The shortfall in this method of marketing is it does not have a deadline date.

2. Auction.

Not commonly used in private property selling which is a good thing.

Auction has many "pitfalls"

You are limited to cash buyers only. An auction is dependent on buyers turning up to auction. But the biggest problem with auction is it is dependent on two buyers (and sometimes it is hard to get one) wanting your property enough to bid up to your price. If the property is passed in through not reaching your minimum price (reserve price) the highest unsuccessful bid can set the price for future marketing.

Auction does have the advantage of a set marketing time with a deadline date.

3 Tender.

Tender should be a seriously considered option. It is the only marketing method that will ensure you the buyer will offer you their maximum price. Buyers realize they only have one chance to submit their best offer and it must be their best as they have no knowledge of what other offers may be or if in fact there will be any.

With tender you are not limited to cash buyers. Conditional tenders can be submitted.

Conditional buyers will typically offer more than cash buyers so you may well accept a conditional tender depending on the condition within. e.g. subject to arranging suitable finance, or subject to the sale of another property.

Tenders are confidential so can be further negotiated after the closing date if required.

If there is not a successful tender that will not affect ongoing marketing as any prices offered are confidential. There is a deadline date and therefore a set marketing period.

Conclusion.

The pricing of your property is vitally important. Time taken to visit open homes on similar properties and time spent researching sales is time well spent.

If you don't have the time you should invest in a registered valuation.

Remember an overpriced property will normally finish up realizing less than its real value.

Then there is a lot of advantage and less risk in no price marketing.

Remember a buyer may well perceive your property to be worth more than you.

Of the "no price" options the tender method is by far the best so for that reason we detail this method.

The Tender Process.

Prepare standard Sale and Purchase Agreements (see chapter 11). Enough for all potential buyers submitting a tender.

The agreements will contain your name, the address, the legal description, , the deposit amount, and the chattels.

Your solicitors name should appear on the face of the agreement.

Everything else including the price and special conditions are left blank for completion by the party submitting the tender.

This completed Sale and Purchase Agreement is all that the purchaser needs to have delivered on or before the closing date.

All advertisements must include the following (see chapter 4):-

- I. The highest or any tender will not necessarily be accepted.
- II. The Vendor reserves the right to close the tenders early.

As you show your property the potential buyers should be handed the following memorandum.

.....
Registration of Interest.

I/we are interested in submitting a tender on your property at 1 Main Street Hicksville. I/we understand that if the tenders are to be closed early I/we will receive 48 hours' notice of that closing date in order that I/we may submit a tender for consideration.

Name..... Telephone No.....

Address.....

Signed.....
.....

Everyone has the right to submit an early tender and request that it is considered before the advertised closing date. If that tender is favorable you must advise the party submitting that tender that you will be advising all those that have supplied "registration of interest" forms giving them notice that tenders will close in 48 hours. This must be done before accepting the favorable tender. **This tender and all tenders must remain confidential to be fair to all parties submitting tenders.** All those parties then have the opportunity to submit a tender and the original party has the right to submit a revised tender.

All tenders are then considered and all parties are advised of your decision. Obviously you sign and accept the successful Sale and Purchase Agreement and send it to your solicitor.

If you do not receive a favorable early tender the advertised closing date will apply.

It is suggested that all tenders should be delivered to your solicitor on or before the closing date.

Advantages of the tender method.

The key advantage of this method is the ability to close tenders early.

This introduces the “registration of interest” form which allows you to monitor interest.

It also encourages the ideal situation of creating an environment where you should get multiple tenders forcing those submitting tenders to put in their best offer.

A problem with setting a deadline of say four weeks out is that an early viewer can continue to look at other properties in the knowledge they have the time until the deadline. You may lose that buyer if they find a property they feel is better.

The ability to close tenders early eliminates this problem.

ADVERTISING

The shop window for your property.

Advertisements should be placed in all publications that advertise property in your area. You want all buyers to consider your property when looking at others.

So newspapers and real estate magazines are obvious choices.

Internet advertising is proving to be the trend for buyers looking. It is well worth the investment to expose your property on this media. A website built just for your property is the ultimate marketing tool.

Advertising is expensive so it is important you to take the care to get the advertisement right and in the appropriate media.

A good heading for any advertisement is key to getting attention and should also tell you something about the property. (Sample headings appear at the end of this chapter)

e.g. "A HIDDEN OASIS" Home set on lovely garden down a back section.

"SEA FOREVER" Home at the seaside with views.

A good advertisement will leave the reader with some unanswered question that should prompt any reader to phone for the answer. An advertisement is all about getting a response and what better than a phone call from an interested party.

e.g. A HIDDEN OASIS

Nestled down a tree lined drive you will find this magnificent family home in picturesque botanical setting. The three spacious sunny North facing living rooms flow out to the patio and BBQ area. Ideal for the family that enjoys indoor/outdoor living. Prestigious location handy to top schooling and amenities. Has to be viewed to appreciate everything this permanent material quality home has to offer. Ph 12344321.

This advertisement will attract but you will notice that both the land area and number of bedrooms are deliberately missing. You will know the advertisement has attracted interest when the phone calls come asking about the number of bedrooms.

You can easily put too much into an advertisement. In fact giving the buyer enough information to decide whether they want to view or not and the latter is an expensive counterproductive advertisement

Remember when placing an advertisement that big is not necessarily better but it will certainly be more expensive.

Putting an address in advertisement **is a definite no**. Buyers will obviously drive past without contacting you and could well make a decision not to either view or buy. Remember advertising is about getting a response and connecting with potential buyers so a call to enquire as to the address is a good response to start with.

Real estate agents will often put addresses in advertisements but remember they are generally advertising several properties. This is like throwing mud at the wall and hoping some will stick. The real estate agents are expecting the buyers to drive past all properties and maybe phone to view the ones that appeal. The ones that appeal is the “mud that has stuck” and It could mean a quick easy commission but buyers will drive past more properties that they may wrongly reject. This does not matter to real estate agents as they are playing the numbers game. .This is not good advertising as we all know you cannot tell a book from its cover.

PHOTOGRAPHING YOUR PROPERTY.

Remember, good photographs could initiate a sale.

So put some thought into what would attract a buyer to your property. Like the written advertisement you need to consider what features will sell your property and photograph those features. If it is the view then photograph the view or if it is the magnificent garden then photograph that or perhaps the fabulous kitchen needs to feature.

Like the written advertisement a photograph should also leave the buyer with a question. A good photograph should never show the full picture. Get trees in the way or photograph from an angle that doesn't give the buyer enough to make a decision on in case that decision is negative.

So often you see a front on view of a property and although they say a photograph never tells a lie some homes do not photograph well.

Remember buyers are more likely to make a negative decision from a photograph than from a written advertisement.

Take at least twice as many photographs than you are going to use, load them up then eliminate those you decide you do not want to use.

Conclusion.

The main purpose of any advertisement is to get response and get buyers into your property.

So to get that response you must firstly get the buyers attention (through a smart heading), and limit the information in the advertisement leaving buyers with unanswered questions.

These questions force a response.

A response should lead to a viewing which could lead to a sale. It normally happens in that order.

SAMPLE ADVERTISEMENT HEADINGS.

A TOUCH OF CLASS

ABOUT QUALITY

Quality home upfront

ABSOLUTELY STUNNING

Architectural home

ACTION REQUIRED

Some urgency

A HIDDEN TREASURE

Back section property

ARCHITECTURAL MASTERPIECE

CAPITAL GAIN HERE

It needs attention

CLASSICAL ELEGANCE

Character home

GET LOST
home

Large tree'd section or rambling

DREAMS ARE MADE OF THIS

FROM YESTERYEAR

HANDYMANS DREAM

HIDDEN OASIS

INDOOR OUTDOOR LIVING

ITS NOT ON THE LEVEL

IT'S A SHOCKER

INVEST IN YOUR FUTURE

LIFETIME OPPORTUNITY

LOOKING FOR QUALITY

MOVE ON IN

OOZING CHARM

OOZING CHARACTER

OOZING QUALITY

PEACE PRIVACY AND SERENITY

RECIPE FOR A HAPPY FAMILY

SEA FOREVER

SEE FOREVER

SERIOUS SELLERS

SWITCH ON THE T.V.

WEDDING PRESENT

YOUR PIECE OF PARADISE

Older home

A mess

Back section Garden setting

Hill property

Needs attention

Nothing to do

Character home

Spacious family home.

Seaside property with views

Views are the feature

Everything done

First home buyer

HANDLING RESPONSE

Remember you don't sell a property, people buy them.

That is why selling skills are no asset when marketing property. A real estate salesperson is not appropriately named.

Never worry about your lack of sales experience as people generally buy homes on emotional feelings. You can never sell a home to someone who does not feel that home is right for them.

Think of your own experience in buying a home. Did someone sell you the property or did you not just want to buy it?

So all you can do is present your property as best you can and honestly supply all the information on your property.

Remember that your goal is to get any responding buyer through your property to give them the best chance of buying it.

Also remember the telephone can be an enemy.

You will always communicate better in person so keep telephone conversations brief and to the point, keeping in mind your goal of getting that respondent to view your property.

Like advertising you can tell the prospective buyer too much over the phone. Enough for them to make a negative decision.

Homes nearly always sell at a viewing or as the result of a viewing so the following chapter should be studied rather than read.

SHOWING YOUR PROPERTY

The stage is set. You have tidied the garden, tidied the home, brought external and internal maintenance up to date, there are no dishes in the sink and the beds are made so what is left?

If you have an open fire light it on cooler days as the ambience of an open fire can just make the difference.

Whatever make sure your home is warm in the winter or cooler in the summer.

A coffee brewing or scones in the oven can make a welcoming aroma.

Make sure your home smells inviting. Remember we work on our senses and smell is one of those.

Now you have a big advantage over a real estate agent when showing your home and most buyers viewing your home will have seen other properties with real estate agents.

The main advantage is you know the time of day that your home is most appealing. Real estate agents don't normally take this into account. They will bring buyers at a time convenient to them.

So pick a time when your home gets maximum sun or if on a busy road the time when traffic is at its lowest.

Order of showing.

Always take the buyer to view the best feature of your home first. Like if it is the view then that is where you go or maybe it has a fabulous kitchen.

First impressions are lasting impressions.

If it is the kitchen that you decide to start in then proceed through the home in logical order pointing out the features as you go. This should be a quick guided tour taking the buyer from one end of the home to the other.

Once reaching that other end of your home **it is important** that you make a hasty retreat perhaps out on to the section leaving the buyers to make their own way back through your home in their own time.

This is most important as buyers have the time to absorb the property, sell themselves on your property and most importantly discuss your property in confidence.

They will invite you back if there are any points or features they need further explained.

As you will know there is nothing worse than having a real estate agent or vendor breathing down your neck as you try to view a property.

Many a home has been purchased at a viewing but this will only happen if the buyers are left alone to discuss a decision.

Don't put them in a position where they have to leave the property in order to get the opportunity to have that discussion they could have had at your property if you gave them the chance.

You are seriously disadvantaged once the buyer leaves the property.

Always have a "Sale and Purchase Agreement" at hand as you never know what may happen if you have everything right.

OPEN HOMES

Opening your home to the buying public is not necessarily a good way of marketing your home.

You cannot advertise an “Open Home” without disclosing your address so you are therefore giving buyers the opportunity to view from the outside and risk that they may make a negative decision.

As soon as you advertise the address (as you have to do with open homes) you will notice a marked drop in response to your advertisements.

The reason being of course is that buyers don't have to respond to get your address they will simply drive past with a good chance of making a negative decision.

For this reason It is not recommended that you run an “Open Home” in the early stages of marketing.

You will normally not get the same opportunity to address the buyer at an “Open Home” that you will get at viewing by appointment. Buyers expect to be able to view properties that are open without interference.

Addressing the buyer is very important in that you can gauge interest and handle simple objections. If you think about it you really need to be engaging the buyer to be able to sell your property.

Open homes have become popular with Real Estate Agents as they are recognized as a good listing tool in that a lot of the buyers viewing at “Open Homes” will have a property to sell or a property on the market. So although you will see a lot of properties being opened to the public the motivation is not necessarily to sell the property.

An “Open Home” can be a good marketing tool used properly.

Like if you have interested buyers who are stalling on making a decision opening your home can create a sense of urgency with those buyers as they may feel they could miss their opportunity.

Introduced as interest from your advertising slows an “Open Home” can bring in casual buyers that would not normally be motivated to make an appointment to view.

Everything you read in “Showing Your Home” applies to an “Open Home”

Select the most favorable time of the day to open your home and restrict the viewing time to no longer than one hour.

The reason for the shorter time is that you will get a concentration of buyers at your property which creates its own interest.

In selecting a time take into account things like meal times, children's morning sport, peak traffic, or alternative attractions.

For security reasons a visitors book is essential where viewers should enter their name address and telephone number.

Lock and remove keys from all doors apart from the door for entry and departure. Automatic garage door openers should not be accessible.

Don't leave valuables in view.

A simple one page brochure on your property should be available for viewers to take with them. Remember "Open Home" viewers will normally be viewing several properties so this is necessary for them to review what they have viewed.

NEGOTIATING PRICE

Very rarely is a buyer's first offer their best offer (with the exception of deadline sales covered later).

Unless you are offered your selling price you must "counter offer" maybe several times to establish a buyer's best offer.

Never get into verbal negotiations. An offer from a buyer should always be recorded on a "Sale and Purchase Agreement" unless a verbal offer is far too low to even be considered.

By putting an offer onto an agreement form the buyer is demonstrating they are genuine and they acknowledge what they are purchasing.

To "counter offer" you simply strike out the amount offered on the agreement form and enter what you are prepared to accept. This should be in both figures and words.

Always remember the buyer only has to accept that "counter offer" from you to obligate you to sell your property so take care as to what you offer and the contents of the "Sale and Purchase Agreement".

The buyer has the option of accepting your "counter offer" or striking out your amount and entering their "counter offer".

This process may repeat itself several times until the amount is agreeable to both the buyer and the seller. As the "counter offers" are exchanged the gap between both offers will obviously get closer. At the point both prices agree you have sold your property subject to any conditions that may be on the "Sale and Purchase Agreement".

Timing is important in negotiating the price. Once the process has begun it is in your interests to complete negotiations in the fastest possible time.

Keep the "pot boiling" and don't allow the buyer the time to let buyer's remorse set in. Many a buyer is lost if they are allowed to "sleep on it"

It can sometimes be effective to put a time limit on your "counter offer". Simply put the buyer on notice that your counter offer is valid until say five o'clock today. This can be done verbally.

Negotiating Deadline Marketing

Auction.

If a bid exceeds your reserve price your property is sold for that price. There can be no negotiating. However if your reserve price is not met you can negotiate on price in the same way as described earlier.

Tender.

Tenders will be presented on or before closing date on a standard "Sale and Purchase Agreement".

Buyers should have presented you their best offer but that does not stop you negotiating a higher price.

The buyers do not know what price is acceptable to you so a "counter offer" can be made by you in the same way as earlier described.

Although buyers should have made their best offer they will often "stretch" themselves if told "your tender is not quite high enough but if you add \$..... you will own the property".

You already have a buyer signed "Sale and Purchase Agreement" that can be accepted if this fails.

PREPARING CONTRACTS

Never sign a contract without the following clause inserted.

“This contract is subject to my solicitor’s approval in all respects within three working days from acceptance”.

With this clause inserted you can prepare a contract with the confidence that if anything is not done correctly your solicitor has the opportunity to correct it before it becomes binding on you.

Preparing a contract is surprisingly easy. Just follow the steps below.

(It is not necessary to type a contract it can be prepared in neat printing or writing.

1. **Date.** The date will be the last thing you enter. All contracts should only be dated when everything is agreed between both parties. For example the date you first write up a contract and the date the price is agreed may be different if lengthy negotiations take place.
2. **Vendors name.** Enter your full name.
3. **Purchaser.** Enter buyer’s name.
4. **Address.** Enter the full address of the property that is being sold.
5. **Legal Description.** Enter the legal description. This can be obtained from a rate demand or by searching the address on the internet.
6. **Purchase price.** This is entered firstly by the buyer (the offer) As covered in negotiations this figure can be crossed out and a new “counter offer” amount entered. This figure should appear in numbers and words.
7. **Deposit.** An amount of say 10% of the purchase price should be entered, If the purchase price is high and the buyer cannot immediately find a deposit there is the flexibility to enter a lesser amount. The deposit must be sent to your solicitor who will place it in trust until the “further terms of sale” are satisfied.
8. **Interest for late settlement.** An amount of 10% over the current interest rate should be entered here.
9. **Possession Date.** Enter the date you are prepared to give possession. This is normally 60days. If in doubt remember the date can be brought forward easier than extended.

Simply add the words “or earlier by mutual agreement” after the date. This is often used when the buyer has a property to sell so the date is dependent on the date of that sale.

Both parties can apply through their solicitor to have the possession date changed.

10. **Finance section.** This part of the contract can only be completed if the buyer is willing to disclose the necessary information. If not simply put a strike through it.
11. **LIM.** It is the buyer’s decision whether the “yes or no” are deleted.
12. **OIA Consent required.** This only applies if the buyer is not a New Zealand resident. (See you solicitor.
13. **FURTHER TERMS OF SALE (Special conditions)** Found on second to last page of agreement form.

A contract can often be have no further terms of sale (an unconditional cash contract) in which case this page requires a strike through it in order that conditions are not inserted after acceptance and signing.

In this section of the contract you write in the conditions that are not covered in the standard conditions printed in the contract. It is not necessary to understand all the standard conditions as your solicitor does. Further terms of sale are to cover things like solicitors approval of the contract, building inspections, checking titles, checking L.I.M.S. (Land information Memorandums), subject to the sale of a property, subject to suitable finance, or any matter the parties feel should be covered under this contract.

Further terms of sale are normally inserted to protect a buyer and should be kept to the minimum to do so.

The simplest way of writing further terms of sale is as follows. (See the sample contract)

This contract is subject to the following special conditions:-

Then enter the suggested special conditions that apply in a numbered sequence.

At the completion of the special conditions it is important that you place a strike that eliminates any possibility of a condition being entered after the contract is signed.

SUGGESTED SAMPLE SPECIAL CONDITIONS:-

Solicitor's approval.

The buyer's solicitor's approval of this contract in all respects within 3 working days from acceptance.

The purchaser's solicitor's approval of this contract in all respects within 3 working days from the acceptance of this contract.

The purchaser's solicitor's approval of the title and land information memorandum within 5 working days from the acceptance of this contract.

Subject to sale.

The purchaser selling their property at*address*..... on terms and conditions suitable to themselves within 28 days from the acceptance of this contract.

(keep the number of days to a minimum as an extension can be applied for by your seller and granted by you)

Finance.

The purchasers obtaining finance on terms and conditions suitable to them within 3 working days from the acceptance of this contract.

(Three working days is sufficient to get approval for finance but once again an extension can be granted)

Property inspection.

The vendor obtaining a property inspection and report satisfactory to themselves within five working days from the acceptance of this contract.

Roll Over clause.

If the vendor receives an offer that they consider to be more favorable during the term this contract is still conditional they reserve the right to give the buyer 48 hours' notice in writing that they must make the contract unconditional.

The roll over clause is a very powerful clause for you the vendor. It means your property is not tied up while you wait for another property to sell or while you wait for other conditions to be satisfied.

A more favorable offer does not necessarily mean a higher offer it could mean anything that you consider to be more favorable. e.g. It may be a lower offer but not subject to the sale of another property, it may just be an offer that has one less special condition or ideally it may be an unconditional cash offer which means your property is sold.

The roll over clause should always be inserted if a special condition requiring more than 3 working days is in the contract.

If you accept a conditional contract without a “roll over” clause inserted you are effectively taking your property off the market for the term of the conditions. Buyers will normally discard properties that are “sold subject” or “under contract”

You would not be very happy if an unconditional cash offer was received just days after you accepting a conditional contract.

Real estate sales people often avoid this clause as it could mean them losing part of or a total commission if someone else from their company introduces a more favorable offer.

There are many other special conditions that you or the buyer may require. e.g The vendor agrees to paint the fence prior to possession date or the vendor shall remove all rubbish from the property prior to possession date or the vendor agrees to obtain the necessary permits for the carport within 10 working days from the acceptance of this agreement. The possibilities are endless.

Completion of contract.

Once the price has been agreed and all conditions agreed on the contract should be signed by all parties to that contract. .e.g. If the property is jointly owned by a husband and wife both must sign and the same applies to the buyers.

All alterations to the contract must be initialed and every page of the contract must also be initialed.

On completion of the contract a copy must be immediately supplied to your solicitor and the original must be supplied to the buyer's solicitor. This should be done with urgency so the solicitors have the maximum time to approve special conditions.

“Registered sellers” should seek assistance with contract preparation especially the many special conditions that are available.

Remember a special condition can be written to cover most eventualities. Seek our help or the professional help of your solicitor.

Remember you are protected by the first “further terms of sale” clause “this contract is subject to our solicitor’s approval in all respects within three working day from the date hereon.”

IMPORTANT TIPS

- Buyers know private sellers do not have to allow for high real estate commissions when pricing their properties.
- Time spent in preparing your property for sale will put money in your bank.
- An advertisement is about attracting buyers to view your property. Put thought into why someone would buy your property and start your advertisement with those features.
- Research has shown most buyers will be attracted to a property in the first few minutes so make sure first impressions are good impressions.
- Pricing your property is crucial. You should know as much about the value of your property as the potential buyers. You need that knowledge to negotiate.
- Consider the safety and potential of “no price marketing” i.e. Tender.
- Show your property but always give buyers the opportunity to browse without your presence.
- Once negotiations have started you must keep things moving to avoid “buyer’s remorse.
- You should have a copy of the certificate of title and an up to date land information memorandum (L.I.M) to reduce the time to approve special conditions. A copy of the L.I.M. can be obtained from your local council office.
- It is possible today to pre-arrange finance on your property. It is a very powerful attractive tool to advertise your property as having finance arranged for approved purchasers.
- The market cycles every five weeks. Genuine buyers will satisfy their needs within five weeks. New buyers are constantly coming to the market.
- Your first offer is often your best offer. Always counter offer but take care when the buyer makes their final offer.

- Any offer can be a good offer. Do not discourage a conditional offer. So often a conditional offer (say subject to the sale of another property) can trigger a better offer.

A conditional offer establishes that your property is saleable and you never disclose the price on a conditional offer. The “rollover” clause gives you the ability to accept any more favorable offer.

- Buyers will resist the “rollover” clause. You may decide not to use it if the buyer increases the offer to convince you to do so.

FREQUENTLY ASKED QUESTIONS

This section covers some of the frequently asked questions from those contemplating selling privately.

Q. Can I be bothered with all the effort involved in private selling?

A. You will be involved in work whether you employ a real estate agent or do it yourself.

Regardless of whether you employ a real estate agent or not you will always have to prepare your property for the market, you will be tidying up for buyer viewing and open homes, and you need to be available at all times in case an offer comes in. All the agent does for you is front up when all the work is done, erect a sign, place an advertisement, maybe distribute some flyers, and write a contract.

You need to consider if the small amount of work is worth saving \$1,000's of dollars in real estate fees. Consider it would take 500 hours at \$20.00 per hour to recover \$10,000.00 of fees. That is over three month's solid work or overtime. No real estate agent spends even a fraction of that time in selling your property and you certainly won't either. Any good real estate agent should spend no more than 20 hours selling your property which confirms how high the fees are.

Q. Real Estate Agents say they have a great number of buyers?

A. This is a myth. I wonder how many real estate agents have a buyer that has been waiting on your house to come onto the market. Buyers looking in newspapers and on the Internet for property have as much chance of seeing your advertisement as a real estate agents advertisement. In fact your property will not be in an advertisement with several other properties. When a buyer responds to your advertisement you only have your property to sell but a real estate agent has several and they don't really care which one it is as any one of them will pay them a commission. Even though you are paying for the real estate agents advertisement the buyer that responds may not necessarily get to view your property.

Q. Is an agent more likely to sell my house?

A. No. No one can sell a property to a buyer who does not want to buy it. Buyers buy property because they liked the home, it had a nice feel, or it suited them at the time. Buyers will treat your property in the same way whether an agent is selling it or you are.

Q What about today's market conditions?

A. Irrelevant. If the market is booming and houses are selling fast so should yours. If the market is slow and prices are dropping then it is more important that you save on high real estate commissions which will allow you to make your property more competitive.

Q. What about offers, the paper work and all the legal stuff?

A. It is not complicated. After reading the previous pages you will have the knowledge you require. You will be surprised how easy it is. "Registered sellers" know they are not alone as our professionals are there to assist. All that is needed to protect you 100% legally is the insertion of the clause "this contract is subject to our solicitor's approval in all respects within 3 working days": into any contract you write and sign. If unsure allow your solicitor to view any contract before you sign it.

Q Am I the right type of person to sell my own property?

A. Most likely. Lack of confidence is often lack of knowledge so the previous pages should have fixed that and remember "registered sellers" are not alone. It is not about sales skills it is more about honesty. Buyers buy houses because they are presented right they feel right, the price is right and they are confident you have answered their questions right. And that is whether they are dealing with a real estate agent or you.

However if you are a real grump with a chip on both shoulders that doesn't like people then you should consider a real estate agent. Vent your frustrations with the world on them.

Q. What if I get started and things are slow?

A. That sometimes happens. Maybe the advertising needs fine-tuned or you have made some other minor mistake that they will correct for you. There has always been highs and lows in the real estate market. For example school holidays can slow the market down. But the market in New Zealand does cycle on average every five weeks. Most genuine buyers will locate a property to buy within five weeks so new buyers are always coming on the market. Always remember every "no" is one "no" closer to a yes and the next phone call could be your buyer.

Q. What do we do with all the money we save.

A. It is substantial. You could take the family around the world on the holiday of a lifetime, you could buy a new car, or you could not only buy a new lounge suite, but include a bedroom suite, a spa pool, new BBQ, outdoor furniture and still have some change

INTERPRETATIONS

Conditional Offer. The Sale and Purchase Agreement has all the standard conditions that are fixed and binding on both the buyer and the seller. These conditions do not have a time to be approved by they are accepted at the time the agreement is signed.

So when we refer to a “conditional offer” we are referring to any conditions that are written into the “Special Conditions” section of the Sale and Purchase Agreement.

Sale and Purchase Agreement. This is the contract that is used to commit both the buyer and seller to a property sale. These can be obtained from your solicitor or leading bookstores.

Vendor. That is you the property owner and seller.