

How to Prepare for a Residential Sales Campaign

Private Treaty or Public Auction

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Summary of Headings to be covered in talk

- How to choose a Public Auction or a Private Treaty Sale for your client?
- How should a good Public Auction or Private Treaty Sales campaign be run ?
- Initial contact with potential client/vendor and inspection with valuation
- Letter of inspection and valuation and important headings
- The PSRA Letter of Engagement bearing in mind legislation in place particularly in regards to the Property Services (Regulation) Act 2011, Section 43 and Schedule 2.
- Confirmation of instruction letter to solicitor and important headings to remember
- The Public Auction or Private Treaty Sales campaign in more detail
- Conducting viewings in a professional manner “Do’s & Don’ts”
- Typical questions an agent might encounter during a Sales campaign

Some Practical Advice before we Start Property File Progress Sheet

Sales Campaign Start Date:

Open File (Hard Copy or Online Platform)

Copy of Letter of Appraisal and Valuation Letter

****Letter of Engagement to Vendors confirming conditions**

Collect Keys and Log Keys

Measure Interior

Advertising in Advance & Receipt

Agree with Vendor what is Included ?

Write Brochure (directions & Map)

Order board/Agree Type with Sellers

Proof websites (Daft/MFO & Myhome)

Write up adds/classifieds/dead lines

Write to Solicitor informing of sale

Brochure Display Unit in Reception

Check Database for Potential Purchasers

Pro-Active on getting Viewings

Some Practical Advice before we Start Property File Progress Sheet

Sale Agreed Date:

Get Deposit In A.S.A.P/Receipt:

Change Web Sites/Window/Other

Get Purchasers Solicitors details

Write to Vendor & Solicitor on agreed terms (Agreed Purchase Price/Closing Date/What is included)

Write to Purchasers and Solicitor confirming the same as the above so everybody reading off the same page/contract!

Sign/Web sites/Display sale agreed

Get Surveyor in

Contract out date (are deeds with solicitor)

Purchaser Solicitor Received date (****Very N.B as clock start ticking on getting contracts signed by Purchaser)

Contracts signed ***unconditionally*** and on their way back to vendors Solicitor (These are the magic words!)

Contracts Back and what is the Closing Date ? (This may have changed since the sale agreed date for a number of reasons)

Signed by Vendor (equally important that the sellers get into their solicitor to sign also)

Order **Sold** onto Board immediately so the company gets great exposure/advertising on how good they are

Pre-closing inspection by purchasers ? Yes/No. Set up if required.

Closing Date/Day ***get an email from solicitor sale has closed before releasing keys to new owners***

Raise Your Fee Note and cover letter to sellers and thank them greatly for their business (Ask for Testimonial ?)

How to choose a Public Auction or a Private Treaty Sale for your client?

Auction or Private Treaty ?

- a) It may be a “Ward of Court”
- b) It may state it in a will that the property should be sold by public auction
- c) A receiver may have been appointed and require that the asset is disposed of by way of public auction
- d) There may be unique characteristics about the particular property which would attract bidders to a public auction
- e) The house may be on a very popular road or street
- f) The house may be located in an extremely sought after area of a city or town

- g) The market is not strong enough to carry Public Auction campaign
- h) The type of house it is does not traditionally lend itself to a Public Auction campaign and more suitable to Private Treaty
- i) The location and/or road would see properties listed as Private Treaty sales in the past and not Public Auction
- j) The vendors simply do not want to hold a Public Auction with Open Viewings
- k) The advertising budget the sellers have may not be enough for a 4 week Public Auction Campaign

What is the Residential Sales Process and how does the campaign run ?

The Auctioneer (PSP) receives a call and/or communication from a potential client/vendor to do an inspection and valuation on a particular property

Next Step ?

- a) Familiarise yourself on where exactly the property is located in regards to house number, street and area along with as much information on the characteristics of the house

Why ?

- b) To allow yourself gain clear, strong and real comparable open market evidence of similar properties in the area (if not the same road if possible) to equip yourself for the actual valuation and meeting with potential vendor
- c) On arrival thoroughly inspect the property inside and out (including back gardens/garages and confirm aspect) and give your advice accordingly

Next ? Follow up with your letter of Inspection and Valuation

***What should I include in my letter of Inspection and Valuation?
Typical headings and topics that should be included are;***

Comments on current market conditions

The traditional selling season (Timing of Campaign)

Your professional opinion on the value of the property (AMV)

Suggest what should be included in sale (vendor may want help on this)

Suggest a detailed “Sales Campaign” in regards to Type of Sale, When to place it on the market, Advertising schedule for papers, What websites you will use, best date to launch property to the market, viewing times, etc,etc

Set out your suggested fees and advertising budget

Next Step ? The Client/Vendor gives the instruction to proceed with the Residential Sales Campaign

***NB The Agent/Property Services Provider needs to make sure they send out the PSRA Letter of Engagement (LOE) without delay to set out their terms clearly.

The letter should be sent out without delay by way of post. Maybe even drop it into their property by hand. This will promote getting the LOE back within the required 7 days as required by the PSRA. Maybe sit down with the client and go through the LOE just in case they have any questions ?

What are the vital elements or headings that should/must appear in a Letter of Engagement ?

*** Since the Property Services (Regulation) Act 2011 was signed into law by the President on the 20th December 2011 (and the establishment of the Property Services Regulatory Authority) we have to be aware of its content when dealing with clients

The following headings/areas should be covered in your PSRA Letter of Engagement

- a) Level of the Advised Minimum Value (AMV)
- b) The advertising budget and fee
- c) Date , Time and Place of Auction
- d) Duration of Agency
- e) The Type of agency: Sole/Joint (could be joint-separation)
- f) State there is no Conflict of Interest
- g) Viewing times and confirmed advertising schedule
- h) Confirm that you will write to their solicitor and inform him/her of the campaign
- i) Confirm title (this should also be in the letter to solicitor)
- j) Complaints procedures (under Schedule 2 of the new Act this must be included)
- k) Inform client/vendor there is a legal requirement to have a Building Energy Rating Certificate and Advisory Report when placing the property on the market

**Remember to include a cover letter with the LOE to cover any practical things that are aside from what must be in the LOE. This could be advise on how to present the house for viewings and putting away any valuable or sentimental items.

Property Services (Regulation) Act 2011

PART 4 General Obligations of Licensees

Section 43.—(1) A licensee shall, not later than 7 working days after the day on which the license starts to provide a property service to a person, or has reached an agreement with the person to provide a property service to him or her, whichever is the earlier, provide to that person, in respect of such property service, a letter of engagement (including a copy thereof) in the specified form—

(a) containing such information as is required to be contained in it by virtue of Schedule 2, and

(b) signed by the licensee.

Property Services (Regulation) Act 2011

PART 4 General Obligations of Licensees

2) Where—

(a) a licensee has provided a person with a letter of engagement and a copy thereof in compliance with subsection (1), and

(b) the licensee is not provided with such copy, signed by the person, within the 7 working days immediately following the expiration of the 7 working days concerned referred to in subsection (1),

the licensee shall cease to provide, or shall not start to provide, as the case may be, to that person the property service the subject of the letter and that letter shall thereupon cease to have any force and effect.

****Remember future PSRA Audits*****

Property Services (Regulation) Act 2011

PART 4 General Obligations of Licensees

(3) Where a property services agreement has been entered into by a licensee but subsequently the licensee and the other party thereto have agreed to make an amendment to the agreement (including any agreement as previously amended under this subsection), the licensee shall, not later than 7 working days after the amendment has been so agreed, provide to that party such amendment (including a copy thereof) in the specified form—

(what happens if property does not sell at Auction, New Letter ?)

(a) containing such information as is required to be contained in the amendment by virtue of Schedule 2 in so far as that Schedule relates to the subject matter of the amendment,

and

(b) signed by the licensee.

Property Services (Regulation) Act 2011

PART 4 General Obligations of Licensees

(4) Subsection (2) and the definition of “property services agreement” in section 2(1) shall, with all necessary modifications, apply

to—

(a) an amendment to a property services agreement,

(b) the renewal of a property services agreement, or

(c) the re-engagement of the licensee concerned following the expiration or other termination of a property services agreement,

as they apply to a letter of engagement.

(Note: Does this mean that if the property does not sell at Auction the Agent needs to send out a new letter of engagement/agreement ? I would say Yes !)

SCHEDULE 2

Information to be Contained in Property Services Agreements

PART 1

Property Services Agreements — general

1. A property services agreement in respect of the provision of a property service **shall include—**

- (a) the **name, registration number, business address and other business contact details** of the licensee,*
- (b) any **business name** of the licensee,*
- (c) details of the **property services to be provided** by the licensee,*
- (d) particulars of the **subject matter** of the agreement (including the folio number of the land, if appropriate),*

SCHEDULE 2

Information to be Contained in Property Services Agreements

PART 1

(e) *the amount or **the rate**, as the case may be, of **any commission** or **other fee payable** by the client under the agreement and the circumstances under which the commission or fee, as the case may be, becomes payable,*

(f) *particulars of the rate of **value added tax payable**,*

(g) *the **period** during which the **rights or obligations** of the client or licensee are to have effect under the agreement,*

(h) *the **length of notice** to be given in the event of the **termination** of the agreement by the client or licensee, and the consequences,*

SCHEDULE 2

Information to be Contained in Property Services Agreements

PART 1

- (i) *a statement of the obligation (if any) on the licensee, pursuant to sections 42 and 43 of the Criminal Justice (**Money Laundering and Terrorist Financing**) Act 2010, to report, to the Garda Síochána and the Revenue Commissioners, suspicious transactions and transactions involving places designated under section 32 of that Act,*
- (j) *affirmation that **no conflict of interest exists** which would prevent the licensee providing the property service,*
- (k) *details of the **professional indemnity insurance** of the licensee,*
- (l) *details of the **records to be kept** by the licensee in respect of the provision of the property service,*

(n) details on the **deposit of moneys paid** to the licensee by the client and the application of any interest earned thereon, and

(o) **complaints and redress procedures** put in place by the licensee.

PART 2

Property Services Agreements for Sale of Land

2. Without prejudice to the generality of *Part 1*, a property services agreement for the sale of land shall also include—

(a) the **advised market value** of the land,

(b) a **description of the agency model** (sole agency, joint agency or multiple agency),

- (c) *in the case of a **fee or commission expressed as a percentage** of the advised market value of the land—*
- (i) *if paragraph (a) of the definition of “**advised market value**” in section 2(1) is applicable, **the estimated total** amount payable,*
 - (ii) *if paragraph (b) of the definition of “advised market value” in section 2(1) is applicable, the **estimated range** within which the total amount payable would fall,*
- (d) *the terms on or subject to which the client **agrees to advertising** the land and the amount of advertising outlay,*
- (e) *the obligations (if any) which will apply to the client should **he or she dispose** of any part of the land otherwise than through the licensee concerned, and*
- (f) *if applicable, a statement of intent by the licensee to offer to provide **financial services to purchasers** (including any case where there is any intent to offer to provide financial services to purchasers through a subsidiary or associated body of the licensee).*

Letter of Confirmation of Instruction sent to the Vendor's Solicitor

What headings should be included in this letter?

- 1) Name of mutual client
- 2) Exact address of property to be put up for Sale by either Private Treaty or Public Auction
- 3) **If** it is to be by Public Auction confirm the Date, Time and Place of the Auction
- 4) Formally request that the solicitor attend the auction and if he/she is not available on the date in question another qualified solicitor from their offices attend on their behalf
- 5) Request that they take up Title Deeds accordingly and prepare conditions of sale. (Maybe Reluctant to do so for a Private Treaty Sale ?)
- 6) Confirm the title you have been given by the vendor is in fact correct. Freehold or Long Leasehold ?
- 7) Include a brochure in the letter if you have one available
- 8) Let them know the AMV
- 9) Confirm that the client or yourself will send on the BER Cert

*****This should be the start of a positive and pro-active relationship between the agent and the vendor's solicitor whether it is a Private Treaty Sale or Public Auction******

Preparing for the Sales campaign itself, What next ?

- 1) Prepare a comprehensive brochure to include photographs, script, special features, **measurements**, accommodation, AMV, viewing times(by private appointment and/or Open Viewings), location map and floor plan. **(Do not forget Disclaimer !)**
- ** Note: If you need to book in a professional photographer. The best time of day to do this considering the aspect of the garden is a big feature of the property in question
- 2) Do you need to book advertisements in any of the national newspapers ? Does the budget agreed with client allow for this and if so be aware of **deadlines** of the advertisements !
- **Note: Make sure you **proof read everything** from brochures to paper advertisements and be 100% that you are accurate on every front otherwise your vendor will come down heavy on you and it may affect your fee at the end of the campaign. Get it right from the start !!

Preparing for the Sales campaign itself, What next ? Continued

- 3) Up-loading the property to the various property websites and your own company website, **consistency** is a must on every front
- 4) Building Energy Rating Certificates and Advisory Reports are now compulsory (and have been for some time !) and **must be on file** as the property is launched to the open market. Make sure it is not an after thought.
- 5) Get the BER Assessor in at the same time as the professional photographer or while you are measuring the property to cut down on disruption to the sellers.

If these are not carried out under the legislation the vendor or his/her “Agent” can be liable for fines ! Do not expose yourself on this and cut corners. The typical price of a certificate can vary between €200-€350 depending on the age and size of house. Establish with your client **who is going to organise this.**

*****Note: The Building Energy Rating Certificate is now a legal document and has to be contained in the contract so send one on to the solicitor.***

How to conduct viewings in a professional manner ?

Prior to the start of the campaign you have agreed viewing times

Example: Private Treaty might be flexible with 24/48hrs notice to the vendors or for Public Auctions

Saturdays 2p.m to 3:30p.m and/or Wednesdays 1p.m to 2p.m

Head off to the viewings in good time with all the tools of the trade and make sure you are not arriving late and flustered! (something may crop up when you arrive)

The right tools for the job

- 1) The correct keys for the property (know where other keys are going to be for the back door/garage/etc)
- 2) Make sure you arrive with enough brochures (looks bad if you run out)
- 3) Viewing sheets or on your phone now ?
- 4) Mobile Directional Boards or “On View Today” Sign (maybe the house is difficult to find)
- 5) Branded Floor mats (It might be a wet day due to rain, save the carpet !)
- 6) Is there going to be a “supporting” agent or viewer coming to the appointment?
- 7) Do you leave viewing cards for the vendors to leave a message?
- 8) On arrival open up the whole house and make sure all areas are accessible
- 9) When leaving the house make sure you lock up everything carefully and do a second sweep of the house to be sure !

What types of things may one encounter at viewing ?

What do you do if a difficult viewer arrives at your doorstep and does not want to give any of their details ? Stay calm, firm but polite. What should you say ?

**Be aware that the vendor may have sent in a friend or a neighbour to see how you conduct yourself !
Therefore;

Do not let people walk into the house without taking their details

Do not sit down during the viewing as this sends a message you are not interested

Do not start making calls on your mobile phone and ignoring the viewers' needs

Do not start sending endless texts to your friends about the night before !

What sort of questions might I get asked at viewings and how should I answer them?

- 1) What is the title on the property?
- 2) What is the BER rating on the property?
- 3) What is the aspect of the property?
- 4) When was the property or any of the extensions built?
- 5) Where are the closest primary and secondary schools located?
- 6) Who are the neighbours and what are they like?
- 7) How do I get to the LUAS or DART and how far is it from here?
- 8) Who are the vendors? (never reveal the identity of your vendor)
- 9) What is the annual Service Charge ?

**Remember other viewers will be listening !

How to answer them

I have been informed by the vendor or the vendors solicitor that.....

I understand from speaking with the vendors or the vendors solicitor that.....

I believe that.....and/or ***To the best of my knowledge***

Dealing with Interested Parties: Next step

Big N:B Facilitate repeat viewings if they are require and set them up quickly (momentum/PPP)

Allow the surveyor access to do their inspection and get them in as soon as possible if Auction or sometimes even for Private Treaty Sales people want to send in a friendly architect to get a handle on the property.

Note: Advisable not to make any commentary in regards to the “Structure” of the house when the surveyor is there and best not to be drawn into any remarks on the house even if the architect does pose questions to you

Communication with Vendor’s Solicitor during the campaign

It is important that everyone is acting in the best interests of the vendor so it is advisable to do regular touch base calls to the solicitor (if Public Auction) to get an idea if there are any conditions of sale gone out to potential interested parties and cross check with any surveyors that have gone in. If both have happened this is a good indication the person will attend the auction.

Offer/Bidding Stage

At this stage of a Private Treaty Residential Sales Campaign you hope to receive offers/Bids.

*In the past we were happy to take offers over the phone but now with PSRA requirements you should ask the interested party to email it in. *Possible Complaints* You can of course do the following too:*

- A) Take the offer over the phone and enter it into whatever platform your company uses as the “record” of the offer*
- B) Take the offer off the potential purchaser and fill out one of the PSRAs Offer Record Forms*

Very important at this stage to find out if the sale is subject to the sale of another property/asset/loan approval, etc

Never forget that pursuant to **Section 61 of the Property Services (Regulation) Act 2011**, in respect of each offer received in respect of sale of land other than by auction which ***requires licensees to retain a record of all offers received by the licensee in respect of land offered for sale for at least six years.***

Believe it or not offers at auction are not required to be recorded. Of course all good agents will have a book that they record all offers received at a Public Action taken by a clerk on the day, if not the solicitor.

Finally put the offer to the vendor and discuss it. In many cases you probably won't take the first offer that comes in

Offers, What to Consider when Talking to your Vendor

Some things to consider during the Offer Stage/Bidding Sequence when talking to your vendor

The Market: *How strong or weak it is the current market ?*

Recent Sales: *How does the offer compare to recent sales of similar properties in the area ?*

Viewing Numbers: *How many people have gone to see the property during the sales campaign ?*

Genuine Interested Parties: *How many real interested parties are there ?*

Level of Offer: *How good is the offer compared to the AMV and Your original professional opinion on value ?*

Strength of Bidder: *How strong is the party making the offer ? Is it subject to anything ?*

Closing Date: *Can the purchaser close quickly or in line with your clients plans ?*

Position of Your Seller: *Is this their home where they want to squeeze every last Euro out of the sale or an investment where the vendor is happy once they cover a certain amount ?*

Time of Year: *Are you in April heading into a May so you can wait and see how things pan out or did you place the property on the market in September and December is a week away ?!*

Remember “The Highest Offer is not always the best offer”

Public Auctions...On the Day

Have a room/area for your clients (and their Solicitor) to sit/wait outcome of auction

Give the client a full summary of events and potential interested parties who *may turn up*

Golden Rule: Manage your client's expectations on what might be achieved

Auction takes place and property sold under the hammer

Unconditional Contracts signed there and then. One of the major advantages of Public Auctions

If it remains unsold discuss with your vendor what to list it at for a Private Treaty Sale and re-issue the PSRA Letter

Change the Board, Brochures, websites to reflect in the change of method of sale.

The Take Away Message

*The sale of property in most cases will be your clients most valuable asset. Hence, they will expect off their Property Services Provider (Estate Agent/Auctioneer) the highest level of **professionalism and accuracy** when conducting a residential sales campaign for them either by way of Private Treaty Method or Public Auction.*

Thank you for Listening

Please submit any questions via the Q&A box