

# Your checklist for selling a property





## Determine the value of your home

There are things you can do to help gauge the likely selling price of your property, but developing the necessary understanding of the property market takes time.

Start by researching sales results, especially for properties similar in size and floorplan to yours. You can find these on real estate websites such as [hockingstuart.com.au](https://hockingstuart.com.au), [realestate.com.au](https://realestate.com.au) and [domain.com.au](https://domain.com.au).

While sales results are a handy guide, to really understand why a property is worth a certain price you need to inspect and understand the property itself. That's why it's a good idea to attend as many property inspections as possible, particularly for properties like yours and in your location.

At hockingstuart, we use our experience when studying sales results to find properties that are directly comparable. By drawing comparisons between these properties and your property we start to understand your property's likely selling price.

We then gauge current market demand based on the style of your property, its condition, features, floorplan and size, land size and broader influencing factors such as economic and market conditions.

The location is vitally important too; proximity to shops, schools, transport and infrastructure, community services and amenities, all affect your property's appeal and therefore its value.

This process provides a price range, from which we will pick the figure that is both realistic and achievable. From that moment on, our every activity is focused on exceeding your expectations.

Even if you believe you have a realistic price in mind, it's a good idea to seek the advice of your local agent. Selling properties on a daily basis provides agents with background knowledge that is hard to beat.

**Timing:** Two to three weeks.

## Research and appoint an agent

Talk to a few local agents who know your area well; ask questions; make sure you're comfortable with your final choice. Ensure that whoever you choose is capable of meeting or exceeding your expectations. Be satisfied that they are able to achieve the results they promise. Then ask questions. Ask about their general real estate experience, how long they've been selling properties in your area, how well they know your local property market, how many properties they've sold recently, their reputation and how that might benefit the sale of your property, and any qualifications to demonstrate their skills and knowledge in real estate. Ask how the agent will advertise and market your property, what they'll charge in fees and the value they will deliver to offset those costs.

Make a shortlist of agents and then invite them back for a second – or perhaps even third interview.

**Timing:** Set aside two to three weeks for this part of the process.

## Set a price for your property

Your agent will help manage your expectations in this area and determine a price based on demand and knowledge.

**Timing:** You should expect to receive an estimate of what your property is worth usually within 24 hours.





## Determine how you want to sell your property

Private sale? Auction? Other? Consult your agent but ultimately it's your choice.

Sale by Auction is a popular method to sell property in Melbourne. The process typically takes about four weeks; the first three weeks are used to build interest through the marketing campaign, culminating in the auction at the end of week four.

Prior to auction date, your agent will have spoken with all potential buyers and established their level of interest, and prepared the way for a highly competitive auction.

You may be offered a price to sell before the auction, in which case your agent will discuss with you the merits of the offers as they arise.

Prior to auction you will need to consider your reserve price. This is the price at which you will agree to sell the property and generally the minimum price you would be happy to receive. It is then up to your Auctioneer to generate bidding that will exceed that price. Your agent will be able to provide guidance to help determine a reserve price.

The real benefit of an auction is its capacity to focus buyers' energy on a single point in time, when they are single-minded in their ambition to buy. The public forum of an auction also tends to pit bid against bid, encouraged by emotion and competitive spirit, leading to higher prices.

If bids at the auction fail to reach your reserve price, the Auctioneer will announce that the property will be 'passed in'. After the auction the agent will negotiate with the highest bidder. If passed in, the highest bidder has the first right of refusal to meet the vendor's reserve price. If they aren't prepared to meet the reserve price, the agent is then free to negotiate with any other interested parties.

Sale by private treaty is commonly known as a private sale. The agent will run a marketing campaign that makes as many buyers as possible aware of your property, and carry out scheduled inspections to show buyers through your property. However unlike an auction, there is no fixed timeframe - the property is on the market until it sells. With marketing support the timeframe can be successfully managed.

Generally the vendor will have an asking price, which indicates to buyers exactly how much they will have to pay for the property. Buyers also have a three-day cooling off period, during which time they can opt out of the sale. There is no cooling off period when a property is sold at auction.

**Timing:** Depending on your method of sale and the price on it, you should expect to sell a competitively priced and well marketed property from a week or two to around six weeks.

## Prepare contract and/or Section 32

Have your solicitor or conveyancer prepare a Section 32. For auctions they will also need to prepare a Contract of Sale. The Contract of Sale is the document used to formalise the sale of real estate. Typically, the standard form Contract of Sale of Real Estate is used in order to ensure that there is some uniformity in the industry, allowing industry professionals and consumers to anticipate the rights and responsibilities they will assume in a real estate sale transaction.

For private sales, your solicitor or conveyancer may or may not prepare the contract of sale.

**Timing:** One week.



## Preparing your home for inspection

You will need to prepare your home – clearing away clutter and generally making it look its best can take at least a week. hockingstuart Removals can help with this – refer to our website for more details of our decluttering service. Inspect all exterior elements of your home, including gutters, downspouts, siding, windows sashes, trim and shutters. Clean, paint, and/or replace as needed. Replace any broken windows, doors and screens. Make sure they all operate properly. Clean windows and screens thoroughly. This helps brighten the home inside. Clean and touch up paint on the little things like your house number, mailbox, and doorbell.

Outside, cut and edge your lawn. Trim bushes and trees. Add fertilizer or a greening agent to the lawn and plants. Remove all weeds from flowerbeds, rocks and cracks in concrete.

De-clutter. Pack up those knickknacks. Clean off everything on kitchen counters. Put essential items used daily in a small box that can be stored in a closet when not in use. Almost every home shows better with less furniture. Remove pieces of furniture that block or hamper paths and walkways and put them in storage.

Make it look so good you might think twice about selling!

Seek feedback from your agent about the presentation of your home and property.

You're now ready to host Open for Inspections.

**Timing:** Clearing away clutter and generally making it look its best can take about a week.

## Prepare your home for sale

When your home is to be offered for sale there are a number of things you can do to create an appealing atmosphere in and around your property.

- mow and edge the lawns a couple of days before auction day rather than at the last minute
- remove any weeds or rubbish from gardens, paths and the street
- ensure there are no animal droppings nearby that could be walked through the property
- arrange for a friend to take your pets on the day
- invite friends along to help build additional atmosphere
- to help keep floors clean, place mats at all external doors
- place valuables safely away from view
- park your cars in front of the property the evening prior to Auction Day and relocate them just prior to the pre-auction OFI to provide more parking for buyers – having your vehicle 'off-site' also creates more open space on the property
- in winter, a warm home is far more inviting, so use your heating. If you have an open fireplace light the fire for extra warmth and atmosphere
- during hot weather, turn on your air-conditioning or create an airflow with open doors and windows

**Timing:** Two to three days.



## Market your property

Your home goes on display for all the world to see – and admire. Your agent will come up with a marketing strategy soon after you appoint them. A typical marketing campaign will last around four weeks, with approximately two weeks for the property to be prepared for photography, floorplans and copywriting. hockingstuart will develop a marketing schedule based on the demographics of your likely market and how to best attract the greatest number of buyers within your budget. At hockingstuart, you've got our specialised marketing programme at your disposal, called 'hockingstuart showcase'. We consider all options in compiling a schedule, and we are more than happy to incorporate your own preferences or experiences.

**Timing:** Your agent will create a suitable marketing strategy to promote your property, generally around four weeks.

## Auction day

In consultation with your agent, set a reserve price for your property. The reserve price is the minimum price for which you will sell your property.

The lead up to an auction itself can be an emotional experience, and it can be hugely anticlimactic if the property does not sell. It's important to stay calm and focused – you are still going to be called on to make big decisions. Whatever happens, your agent will be there to advise you and discuss your options throughout the process. Their experience in this area will be invaluable.

In Victoria, the first right of negotiation after a property has been passed in rests with the highest bidder. These discussions invariably start directly after the auction has finished, with your agent acting on your behalf.

It is important to go into these preliminary negotiations with an understanding as to why your property didn't sell. For example, you may have set a reserve price that is deemed to be higher than market value, so buyers weren't prepared to meet it. Having a general idea regarding the estimated sale price (aided by your agent's advice) should help you to better reach a settlement that's favourable to you as well as being realistic.

Depending on your need to sell, it will also be important to go into these discussions prepared to negotiate. Naturally, you want the best price, however your property may also have been on the market for a while, or you may be financially committed to another property that requires funding to settle. It's critical that your agent is aware of your situation and the importance of achieving a sale, keeping these in mind throughout their negotiations with potential buyers.

Remember that your agent is looking out for your interests and wants to achieve the best possible sale price for you. Accept that your agent knows the area and market conditions, and try to take their advice in situations where you are unsure as to what will be the best action to take. With their help, you should be able to achieve a satisfactory sale.

If your property doesn't sell at auction you may want to consider a private sale. Once again, talk to your agent about this option.

**Timing:** One day.





## Receiving and accepting an offer

If your property is up for private sale your property is on the market until it sells. Your agent will negotiate with the buyer/s; it's a good idea to put yourself in the hands of your experienced agent in this area. Be prepared that the negotiations may go back and forth between the agent and prospective buyers.

Offers on a private sale can often be conditional. This means the purchaser will only purchase the property 'subject to' something occurring or it is conditional upon them getting something in order to complete the contract. If this doesn't occur the purchaser can withdraw without penalty.

Private sale offers also have a special 'cooling off' provision which means a purchaser can end the Contract with the only penalty being 0.2% of the purchase price.

Usually this 'subject to' clause will be used for finance approval from a financial institution – that is, if the bank doesn't agree to lend the purchaser the money to buy the property, the purchaser can walk away from the transaction. The conditions relating to finance approval are specified in the standard Contract of Sale of Real Estate.

A purchaser may also use the 'subject to' when inserting a special condition – for example subject to a building inspection or pest inspection.

### *Cooling off*

Under Section 31 Sale of Land Act 1962 the 'cooling off' period does not apply where:

- The sale is by publicly advertised auction
- The land is sold within three clear business days, before the day on which a publicly advertised auction for the sale of that land is to be held

Once you have accepted an offer, the 10% deposit paid by the purchaser is held in a trust account until either your solicitor provides a Section 27 Statement (allowing an early release) or settlement is finalised. The signed Contract of Sale and any other pertinent documents are forwarded to your solicitor for settlement, and a final inspection of the property is organised by the purchaser through the selling agent. When written notification is received from your legal representative that settlement has been finalised, the property keys are released to the purchaser.

## Final inspection and settlement

Prior to the final inspection you need to ensure that any agreed-upon repairs have been made, and that the property is in the same condition in which it was sold. The inspection can be undertaken anywhere from a few hours to seven days before settlement.

The length of time between exchange of contracts and settlement varies. It can be anywhere from four to twelve weeks. Settlement time is normally dictated by the seller and the banks providing the mortgages, but can be negotiated with the buyer.

Your bank or other financial institution will take care of the transfer of funds for the completion of the sale, at an agreed upon time and date.

**Timing:** Usually 30 – 90 days.

