



Please Note

This general information has been provided to assist in awareness to the public and estate agency personnel. **It is not legal advice** but is designed to help reduce errors and misunderstanding between the vendor and the estate agent.

A - THE CHATTELS

Clearly **list the chattels staying with the property** all fixed floor coverings. For a free chattel checklist go to www.realestateeducation.com.au Free Downloads.

B – EXCLUSIVE AUTHORITY PERIOD

The period of time for the exclusive authority **must be negotiated prior to signing the authority.**

C – CONTINUING AUTHORITY

If a continuing authority period is inserted then, **this too must be negotiated prior to signing the authority.**

D – IS THE PROPERTY IS BEING SOLD WITH...

Vacant possession or subject to a tenancy? **Extreme care must be taken to mark the correct box.** If there are any tenancies these must be clearly stated.

E – SETTLEMENT DATE

Insert an appropriate date or time as agreed ie 19th September 2XXX, or 60 days)

F – THE AGENTS ESTIMATE OF SELLING PRICE

Section 47A of the Estate Agents Act requires that **“the Authority include a record of the estate agents estimated selling price before the vendor(s) signs the authority”**. (It may be recorded as a single figure).

Section 47A of the Estate Agents Act states **“that the estimate cannot exceed more than 10% of the lower figure. This figure states on the Authority that it is the agents opinion and is not a valuation”**.

Section 47B of the Estate Agents Act shows clearly that **“it is an offence for an agent to make a false representation regarding pricing”**. (Overquoting).

Under Section 47D of the Estate Agents Act, **“Consumer Affairs Victoria can request the agent to provide written evidence of the reasonableness of the estimated price/price range”**.

An agent should provide such written supported evidence via recent comparable sales, current properties for sale and market trends.



G - COMMISSION

Sections 49A and 50 of the Estate Agents Act state that “**the agent is obliged to inform the vendor prior to obtaining their signature that the commission and outgoings ie marketing, are negotiable**”.

This is stated on the Authority form and the vendor and the agent would be advised to initial this key point.

If the estate agency fails to comply with this requirement then **the sale may still proceed but the agent is unable to claim payment for commission or outgoings**.

The commission may be an agreed fixed dollar amount or a percentage of the sale price (the most common).

Ensure the commission **clearly includes the GST** in the total amount.

H – DOLLAR AMOUNT OF ESTIMATED COMMISSION

When an agent quotes an estimate of the commission the agent **must base it around the asking price**.

I – MARKETING EXPENSES

These normally include the GST.

A written/emailed advertising/marketing schedule would be expected from the agent. The vendor is fully entitled to receive copies of all proposed and inserted advertising.

J – OTHER EXPENSES?

These need to be clearly defined, and may include cleaning, gardening etc. Again an itemised schedule and account is expected.

K – COMMISSION SHARING

The agent needs to clearly define if there is any commission sharing on this transaction. It is perfectly legal to share commission with any party provided **the vendor has given written approval on the Authority**.

L – ESTATE AGENTS PURCHASING A PROPERTY – SECTION 55

The agents staff and immediate family members are prohibited from purchasing a property that they are commissioned – engaged to sell. This is subject to stringent rules issues by Consumer Affairs Victoria. For full details go to Resources-Legislation on this site www.realestateeducation.com.au and then click on Resources and Links then Legislation and finally Estate Agents – Section 55.

M – FUTHER INFORMATION

For further detailed information go to www.realestateeducation.com.au Resources – Legislation.