

## ***Selling Properties in NSW***

**This paper is a quick overview of selling a property in New South Wales. Its focus is to highlight to vendors the steps in selling a property.**

Before marketing your property, you should have a Contract for Sale of Land. This Contract can be prepared by your lawyer. You would need to tell your lawyer what items are to be included in the sale and other special requirements, eg late settlement, early release of deposit, disclosure of any problem with the property, etc.

If you are selling a house, you may choose to obtain a Survey from a surveyor for inclusion in the contract. It is not a legal requirement but it is common practice to include a survey in the Contract. The cost for obtaining a survey ranges from \$550 to \$1,100.

### **TYPES OF SELLING METHODS**

Most people engage a real estate agent to sell their property. There are several types of agencies available, including: Exclusive; Auction; Multilist; Sole; and Open.

The first two of these agencies provide that only one agent has the right to sell the property. During the exclusive agency period, if you sell the property yourself or through another agent (not the exclusive one), you would still have to pay the exclusive agent their commission.

Multilist agency is where an agent signs an agency with you on behalf of a group of agents. Under this agreement, the listing agent gets a share of commission if another agent in the group sells the property.

A sole agency agreement gives sole selling rights to an agent but allows you to find a purchaser yourself without paying a commission to the agent.

An open agency means that you can appoint as many agents as you like; you only pay commission to the one who sells it.

### **COSTS OF SELLING**

One of the costs in selling a property is the agent's commission. Normally the commission ranges from 1.5% to 3% of the sale price.

Other costs include lawyer's fees and disbursements, survey or council building certificate fees, land tax clearance, discharge of mortgage and associated bank fee, and then there is the removalist's costs.

### **EXCHANGE OF CONTRACT & SETTLEMENT**

When the Vendor and the Purchaser have signed the contract, an "exchange of contract" will take place, whereby the parties are legally bound to proceed in accordance with the contract. Ten per cent of the purchase price is normally paid and deposited into the trust account of the selling agent.

Settlement (or completion) is normally six (6) weeks later. It is the day when the Purchaser hands over the money for the balance of the purchase price of the property; and in return keys are handed over by the Vendor.

One or two weeks prior to settlement, it would be your (the Vendor's) responsibility to arrange the disconnection of electricity, telephone services, and gas (if any).

If you have council bill, water bill and strata levy (if it is a strata unit) requiring payment within 3 weeks before settlement, you should consider not settling payment. The council bill, water bill and strata levy will be adjusted between the parties on settlement. Any outstanding council, water and strata bills can be paid from the sale proceeds from settlement.

Land tax (where applicable) will normally be adjusted on settlement. It is advisable to contact the Office of State Revenue whether you are liable to pay land tax.

Upon receiving an authorization called "order on agent" from the Purchaser on settlement, the selling agent will account to you for the deposit monies (usually 10%) held by the agent less their commission and selling expenses. This usually takes place within 3 business days after settlement.

*Comasters accepts instructions from clients to prepare a Contract for Sale of Land. After a purchaser has been identified, we ensure a smooth transaction until settlement.*

© Comasters 2004  
Revised March 2006

**Important:** This is not advice. Clients should not act solely on the basis of the material contained in this paper. Our formal advice should be sought before acting on any aspect of the above information.

**Comasters Law Firm and Notary Public**

Suite 101, Level 1, Capitol Terrace  
743-755 George Street  
Sydney NSW 2000, Australia  
Phone: (612) 9288 0300 Fax: (612) 9288 0399  
Email: [comasters@comasters.com.au](mailto:comasters@comasters.com.au)  
Website: [www.comasters.com.au](http://www.comasters.com.au)