



GUIDE TO SELLING A PROPERTY

Enhanced Governance Process

The Property Board has introduced the Enhanced Governance Process for disposal of Church property/asset sales in order to achieve the best possible outcome for church entities. Any property/asset sale more than \$500,000 is to have a co-agency agreement with the Real Estate Advisory Function at Property Services. The REAF will:

- ▶ work with the Church entity to seek and appoint appropriate and credible real estate agents.
- ▶ work with the Church entity to seek marketing submissions from at least two credible estate agents.
- ▶ negotiate sharpened sales agent commission rates and advertising schedule rates on behalf of the Church entity.
- ▶ will oversee the sales process, giving advice to the Church entity as required.

Outlined below are key points to consider when selling property.

Owner building requirements

Was the property built by the UCA within the past six years and six months? If yes, you must provide a Defects Inspection Report from a registered builder and take out Domestic Building Insurance.

Valuations

To set the sale price you will need to have an idea of what the property is worth. This can be done by valuation or appraisal. A valuation can be relied upon as an accurate representation.

An appraisal is an estimate and should be supported by a minimum of six comparable sales in the area.

Choosing an agent

When choosing an agent, consider:

- ▶ the agent's knowledge of the local property market.
- ▶ if the agent has a conflict of interest with the Church.
- ▶ their commission and advertising fee.
- ▶ whether the agreement is a sole agency agreement and, if so, what is the period of exclusivity?
- ▶ if they have a list of prospective buyers they can contact immediately.
- ▶ the estimated selling price. How does this compare to the valuation?

Auction, Private Treaty and Expressions of Interest

There are three ways to sell most property, by auction or by private sale, the main differences are:

At a public auction, the contract is unconditional. The buyer cannot make it subject to conditions, such as finance or inspection, and there is no cooling-off period.

In a private treaty, you negotiate with a buyer to agree on a sale price, with an agent's assistance. The contract of sale can be conditional. For example, with your approval, the buyer can make the sale subject to obtaining a loan, a satisfactory building inspection report, or other conditions. Also, the buyer may be entitled to a cooling-off period.

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In an Expression of Interest, buyers are invited to make an offer by a particular date. Buyers submit a written proposal that includes the price, conditions of sale, settlement date, finance and inclusions and exclusions, and proposed use of the property. At the closing date, the EOI's are reviewed and if there is an offer that meets the vendor's expectation, contracts will be prepared.

Contracts of sale

A contract for sale and Section 32 Vendors Statement will need to be prepared before the property can go on the market. Synod Legal will be able to assist with this.

Build, pest reports and surveys

Prospective buyers may wish to have building and pest reports and a survey carried out before exchanging contracts, alternatively, the contracts can be exchanged subject to the reports being completed and not returning an unsatisfactory result. These will be conducted at the buyer's expense. The contract for sale will detail the process to follow should a report come back with an issue and the buyer decides not to proceed.

Contact

For more information, contact
Property Services on **03 9251 5949** or at
property@victas.uca.org.au

