

SELLER GUIDE

1. SELLING A PROPERTY

- (a) Selling your home or property could be a very complex exercise since it involves legal documentation, government authorities, banker (for redemption of your property), solicitor(s), real estate agent, etc.
- (b) Today, a lot of peoples still might not be familiar with the whole process of selling their property and mistakes made could be extremely costly.
- (c) As such, being a professional and dedicated real estate agent, we are able to provide the necessary assistance to you from the beginning to the end of selling your home or property.
- (d) You can sell your home or property with or without the services of a registered real estate agent. If you had attempted to sell your property by yourself, you would probably realise that such exercise has actually been far more complicated than you would have thought.
- (e) However, it is certainly worthwhile to just leave the entire process to a dedicated, professional real estate agent. As such, using a registered real estate agent, who is a member and with the authority to practice from The Board of Valuers, Appraisers and Estate Agents Malaysia, to assist you in the process of disposing of your home or property is strongly recommended.

2. CHOOSING A REAL ESTATE AGENT

- (a) By engaging the services of a registered real estate agent offers sellers additional comfort and confidentiality when selling your home or property and they are listed below:
 - ◆ A registered real estate agent, who is a member from The Board of Valuers, Appraisers and Estate Agents Malaysia, will have to attend regular specialised training courses, update their knowledge in legislation affecting the property industry from time to time;
 - ◆ They are highly trained in matters relating to the real estate and property industry and knowledgeable in the property market trends and information;
 - ◆ A professional agent who is highly skilled in negotiation skills will help you avoid any unnecessary trouble and hassle dealing with potential buyers as well as viewing of your property. Further to this, the agent will ensure your property would be sold as close to the prevailing market price;
 - ◆ The agent is skillful in using market analysis and comparative sale techniques to determine and estimate the market value of your property;
 - ◆ With good knowledge of your location or area coupled with a list of interested potential buyers, the agent would be able to find a buyer for your property in the shortest time possible and also provide you with an effective marketing plan and feedback;
 - ◆ A seasoned agent will request for the latest status of your home or property, the title information, loan financing documents and other relevant property details; and
 - ◆ The agent will advise you to carry out certain minor repairs before listing your home or property. When your home or property is listed, they will obtain your approval for access to your home or property.

- (b) Proceed to finalise the appointment of your agent in writing once you have found someone that you are comfortable working with. Furnish all the necessary particulars for the agent to commence work with full dedication.
- (c) Letter of Appointment. Pursuant to the Malaysian Estate Agency Standard set by The Board of Valuers, Appraisers and Estate Agent Malaysia, the appointment of any agent should be in writing and signed by all parties.
- (d) You are strongly advised to deal with a "**registered**" real estate agent as you will be placing the selling of your valuable assets in the hands of someone who you usually do not know well.
- (e) It has many advantages to appoint one agent to sell your home or property as one single agent may be more focused on handling your home or property due to the fact that the agent does not have to compete with other agents.
- (f) By appointing an agent you will obtain the professional representation you deserve and the agent will not worry about you going elsewhere.
- (g) Usually the seller is paying for the agent's Professional Fee. The Professional Agency Fee for the sale of land and buildings as prescribed under the Seventh Schedule (Rule 48) of the Valuers, Appraisers and Estate Agents Rules 1986 is stated below:
 - ◆ 2.75% on the first RM500,000
 - ◆ 2.00% on the residue over RM500,000
 - ◆ Minimum Professional Agency Fee : As above but may be subject to a maximum discount of 30% and the minimum fee shall be RM1,000 per case.

3. THE PROPERTY APPRAISAL

- (a) The agent, using market analysis and comparative sale price, will provide you with a professional estimate of the market value of your home or property.
- (b) In order to ensure the reliability of the appraisal of your property, your agent would carry out the following activities:
 - ◆ Your agent will check with or seek advice from Valuers to compare your proposed selling price with other recent sales in your area;
 - ◆ Your agent will compare your home or property with other similar properties for sale in your area to determine the current market trends and pricing for the type of property you are selling;
 - ◆ Your agent will assess the strength of the current market for your home or property; and
 - ◆ Your agent will also evaluate the current supply and demand for your home or property in your area and the general market trend as well.

- (c) Before offering your home or property for sale, kindly take note of the suggestions from your agent on repairs, maintenance and other minor modifications to your terms and conditions. This may save a lot of your time and financial resources and in another way your agent may maximise the selling price of your home or property.
- (d) The amount of your proposed selling price will determine the number of enquiries and also the length of time it takes to sell. It is proven that the best time to achieve the highest selling price for your home or property is less than Two (2) months.

4. **WHAT IS INCLUDED IN THE SALE?**

- (a) It is a normal practice for all the fixtures and fittings, that is items which are permanently fixed to the property, to remain with the property.
- (b) In order to minimise any dispute with a purchaser the sale and purchase agreement should clearly list down all of the chattels included in the sale at the time of listing your home or property for sale.
- (c) Your agent will put up the "For Sale" poster or signboard at your home or property. However, the poster or signboard should be distinctive and studies show that Thirty (30%) percent of the enquiries are influenced by the poster or signboard.

5. **SHOWING OF YOUR HOME OR PROPERTY**

- (a) Do not interfere with your agent while the agent is showing your home or property to some potential purchasers. The potential buyers are usually delighted when you are not present when they are inspecting your home or property.
- (b) As a seller, you should ensure your garden area, terraces or balcony, car pouch area, driveway, rain gutter and conduit, window frames and windows, drains and other visible areas should all be clean and in good working conditions at all time. The inside of your home or property should be neat and tidy and not crowded with furniture and other equipment and installations.
- (c) For security reasons, if someone came to you and wished to view your home or property without your agent present or without prior arrangement, you should politely decline them entrance.

6. **NEGOTIATION AND FINALISATION OF TERMS AND CONDITIONS**

- (a) **Negotiation with Your Agent.** It is advisable to allow your agent to deal or liaise with the potential purchasers as some of them would prefer to negotiate directly with the owner to bargain for the lowest price.
- (b) **Terms and Conditions.** You should request your agent to relate or state your best terms and selling price to the potential buyers so that they could consider your terms and pricing before making any verbal commitment or offer to you.

- (c) **Letter of Offer and Acceptance**. Once the potential buyer has made a decision to buy your home or property, you should proceed to finalise the salient terms and conditions in writing.
- ◆ Any agreement to sell your home or property must be made in writing and your agent will provide the needed assistance for you to complete the Letter of Offer and Acceptance.
 - ◆ Any offer made verbally by the potential buyer cannot be enforced legally and therefore "null and void".
- (d) **Earnest Deposit**. You will expect to receive an earnest deposit of at least 2% to 3% of the selling price together with the signing of the Letter of Offer and Acceptance.
- (e) **Solicitor(s)**. The Letter of Offer and Acceptance, which is duly executed by both parties, will become a legally binding contract on the buyer and you.
- ◆ Your agent will be in touch with the buyer's solicitor(s) and your solicitor(s) to proceed with all the relevant documents and to expedite the matter.
 - ◆ The buyer's solicitor(s) will undertake legal searches so as to ensure the buyer interest on the property is secured and your buyer name will eventually be registered in the individual Title. The process of transfer and charge (if any) on the property can be very complex and tedious.
- (f) **Your End-Financier**. If your home or property were still under loan financing, your end-financier would have to be informed so as to determine the redemption sum of your property. The buyer or buyer's end-financier would have to settle the loan outstanding with your existing end-financier (redeem your property), otherwise, the sale of your property may not be successful.
- (g) **Final Inspection**. You should, through your agent, request the buyer for a final inspection of your home or property so that there are no contentious items or issues after the finalisation of the terms and conditions.

7. **DOCUMENTATIONS**

(a) **Sale and Purchase Agreement ("SPA")**

- ◆ Usually, the Sale and Purchase Agreement ("SPA") is to be signed within Fourteen (14) days from the date of the Letter of Offer and Acceptance;
- ◆ If everything is in order, you can now sign the Sale and Purchase Agreement and the buyer will make a down payment of 10% on the selling price less the earlier earnest deposit paid to you; and
- ◆ As a dedicated and professional agent, the agent will assist and guide you accordingly. After signing of the "SPA", your solicitor(s) will monitor the progress in accordance to the terms and conditions of the "SPA".

(b) **Discharge of Charge**

- ◆ When the "SPA" had been executed by both parties and your solicitor(s) will liaise with your end-financier to redeem your home or property and the redemption sum will be settled by the buyer or the buyer's end-financier; and
- ◆ Your solicitor(s) will proceed to prepare the Discharge of Charge documents for you and your end-financier to sign.

(c) **Deed of Receipt and Reassignment**

- ◆ As and when your home or property were redeemed, your solicitor(s) would arrange the Discharge of Charge documents and the Deed of Receipt and Reassignment for you and your end-financier to execute.

8. SETTLEMENT ON THE BALANCE PURCHASE PRICE

- (a) When the ownership on your property had been transferred to the new buyer and the charge on the property in favour of the buyer's end financier (if any) had been perfected by the buyer's solicitor(s), the buyer now has to settle the balance 90% of the selling price.
- (b) There is an usual term in any "SPA" in which the new buyer is given a time frame of Three (3) months (without interest charged) to settle the balance purchase price upon the perfection of the transfer and charge on the ownership of the property.
- (c) However, if the new buyer is unable to settle the balance purchase price within the Three (3) months period, normally the new buyer is given a One (1) month grace period to settle with interest chargeable.

9. VACANT POSSESSION

- (a) The handing over of keys to your home or property signifies you hand over the physical possession of your home or property to the new buyer.
- (b) Before the keys to your home or property are handed over to the new buyer, you should make sure the following matters are confirmed:
- ◆ Your solicitor(s) or the buyer's solicitor(s) had notified you that the sale and purchase agreement or transaction had been finalised and completed; AND
 - ◆ Your solicitor(s) had officially notified you that they had received the full purchase price on your behalf.
- (c) On the other hand, if you are unable to deliver vacant possession to the new buyer upon full settlement of the purchase price by the new buyer, the new buyer is entitled to claim late delivery charges from you. However, this is dependent upon the terms and conditions of the "SPA".