



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 improve the quality and accuracy of this important real estate document.

A - ESTATE AGENT DETAILS

Always ensure the correct legal name of the licenced estate agency is inserted. Many companies, particularly franchises and marketing groups use the name of the franchise as a trading name only. The actual licenced estate agency company often has a different name: ie ABC Nominees Pty Ltd trading as XYZ Franchise Group (Melbourne) ABN 123 456 789 office address etc.

B - VENDOR DETAILS

Full legal names of all vendor(s) and their respective addresses should be filled in ie not S. A. McIntosh but should be Sally Ann McIntosh. When using two names such as I. & J. Richardson both of their names **must** be in full (also check correct spelling of all names).

C - PROPERTY IDENTIFICATION

Clear legal identification of the property is required (consult Vendor Statement/Section 32 if uncertain).

D - THE CHATTELS

Clearly **list the chattels staying with the property** ie a phrase such as carpets is too vague, use all fixed floor coverings.

E – EXCLUSIVE AUTHORITY PERIOD

Insert here, the period of time for the exclusive authority. **This must be negotiated with the vendors prior to signing the authority.**

F – CONTINUING AUTHORITY

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

G – PROPERTY IS BEING SOLD...

Clearly note if the property is being sold with vacant possession or subject to a tenancy. **Extreme care must be taken to mark the correct box.**

H – VENDORS ASKING PRICE

Complete the vendor(s) asking price. **Good legal advice consistently warns against inserting “TBA” or leaving this section blank.** (Refer to Estate Agents Professional Conduct Rules).



I – SETTLEMENT DATE

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

J – 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.

K - 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 agents would be advised to have the vendor(s) initial this key point.

If the 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).

Agents should ensure the commission **clearly includes the GST** in the total amount.

L – DOLLAR AMOUNT OF ESTIMATED COMMISSION

When quoting an estimate of the commission the agent **must base it around the vendor(s) asking price**.

M – MARKETING EXPENSES

Normally includes the GST.

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



N – OTHER EXPENSES

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

O – 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.**

P – DATE

Ensure the **correct date** is inserted otherwise it could void the Authority.

Q – SIGNATURES

Ensure all vendor(s) sign as per **copy of the title** or their authorized legal representatives.