

## CPPDSM4022A Sell and finalise the sale of property by private treaty

<b>Unit descriptor</b>	<p>This unit of competency specifies the outcomes required to sell and finalise the sale of all types of property by private treaty. It includes qualifying buyers, arranging for potential buyers to inspect listed properties, delivering effective sales presentations, submitting offers and negotiating property sale with sellers and buyers and maintaining communications with sellers and prospective buyers. It also includes monitoring the process between exchange of contracts and settlement for all types of property and businesses and preparing documentation for agency disbursements.</p> <p>The unit does not include the sale of property by auction.</p> <p>The unit may form part of the licensing requirements for persons engaged in real estate activities in those States and Territories where these are regulated activities.</p>
<b>Employability skills</b>	<p>The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.</p>
<b>Prerequisite units</b>	Nil
<b>Application of the unit</b>	<p>This unit of competency supports the work of licensed real estate agents and real estate representatives involved in selling and finalising the sale of all types of property by private treaty.</p>
<b>Competency field</b>	Real estate
<b>Unit sector</b>	Property development, sales and management

### PERFORMANCE CRITERIA

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

#### 1 Qualify buyer.

- 1.1 ***Enquiries from potential buyers*** regarding purchase of property are handled promptly to enable high quality service delivery according to agency requirements.
- 1.2 ***Appropriate rapport*** is established with potential buyer.

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- 1.3 **Buyer requirements** are clarified and accurately assessed using *appropriate interpersonal communication techniques*.
  - 1.4 **Factors likely to influence the purchase of properties** are identified and used to confirm buyer intentions.
  - 1.5 **Customer due diligence** is undertaken according to agency practice and legislative requirements.
  - 1.6 Potential buyers are provided with suitable information about available and prospective listings and assisted to find listing that best matches their requirements.
  - 1.7 Potential buyers are assisted in making a decision to view properties using information obtained from sellers and buyers.
  - 1.8 Qualified prospects are recorded to provide an opportunity to maximise future marketing activities.
- 2 Arrange property inspection for potential buyer.**
- 2.1 Appointments are made for property inspections in line with agency practice, ethical standards and *legislative requirements*.
  - 2.2 Preparations are made for property inspection in line with agency practice.
  - 2.3 **Promotional material** on the property is used to describe main sales features of the property.
  - 2.4 **Effective questioning techniques** are used to clarify buyer interest in the property.
  - 2.5 **Records of inspections** are accurately completed in line with agency practice.
- 3 Deliver effective sales presentation.**
- 3.1 **Factors affecting the successful conclusion of the sale** are identified and addressed in the sales presentation.
  - 3.2 **Key decision makers** are identified to ensure that their needs and concerns are met in the sales presentation.
  - 3.3 Main features of property are matched to buyers' stated needs and motivation.
  - 3.4 Relevant legal and financial information is used to support the sales presentation.
  - 3.5 Effective communication and **presentation skills** are used to create buyer interest and focus buyer attention on the property.
  - 3.6 Buyer is given time and space to evaluate property

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while time is used to maximum advantage to promote property.

- 3.7 Buyer is encouraged to clarify key aspects of property before a decision is made to purchase property.
- 3.8 Buyer questions are answered fully and honestly.
- 3.9 Details of offer to purchase property submitted by buyer are confirmed and documented.
- 4 Submit offer and negotiate property sale.**
  - 4.1 Offer from buyer is submitted to seller in line with agency practice, ethical standards and legislative requirements.
  - 4.2 Professional agency advice is provided to seller that incorporates declared knowledge of buyer's motivation.
  - 4.3 Negotiations are conducted with buyer according to seller response to offer.
  - 4.4 Negotiations are conducted in a professional manner, including showing respect for seller and buyer in line with agency practice, ethical standards and legislative requirements.
  - 4.5 *Effective negotiation techniques* are used to persuade and reach agreement between seller and buyer.
  - 4.6 Alternative offers are discussed and their viability assessed.
  - 4.7 *Effective techniques are used for dealing with conflict and breaking deadlocks* where required.
  - 4.8 *Effective techniques are used for closing sale.*
  - 4.9 Mutually agreed price and conditions of sale are established and confirmed with seller and buyer.
  - 4.10 Relevant *sale of property documentation* is explained to seller and buyer in line with agency and statutory requirements for finalisation of the property transaction.
  - 4.11 Documented, agreed price and conditions of sale are made accessible that provide an accurate record of agreement and meet agency and statutory requirements for finalisation of the property transaction.

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### 5 Maintain communication with seller.

- 5.1 Seller confidence in agency marketing activities is maintained through ongoing contact and correspondence.
- 5.2 Communication is diarised to provide an accurate and objective record of progress reports to seller.

### 6 Manage contract to settlement.

- 6.1 **Settlement requirements** are identified and checked with relevant parties to minimise misunderstanding or breaches of contract in line with agency practice and legislative requirements.
- 6.2 Requests from buyer to inspect property prior to settlement are facilitated in line with agency practice and legislative requirements.
- 6.3 Information on buyer and seller responsibilities with regard to building and content insurance prior to settlement is provided in line with agency practice and legislative requirements.
- 6.4 Procedures for holding and release of **deposit moneys** during the settlement period are implemented in line with agency policy and legislative requirements.
- 6.5 Settlement within the contract's legal framework is ensured by liaison with **settlement agents and other assisting professionals** representing the seller and buyer.
- 6.6 Progress of settlement agents and other assisting professionals is monitored in line with agency practice.
- 6.7 Contingency plans are prepared in consultation with relevant legal agents to avoid the possibility of one or more parties to the transaction being unable to fulfil contractual obligations.
- 6.8 Appropriate procedures are implemented if any party to the transaction is unable to fulfil contractual obligations.
- 6.9 Effective communication techniques are used in liaising with seller, buyer and other parties representing the seller and buyer through the settlement process.

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| <b>7 Prepare documentation for agency disbursements.</b> | <p>7.1 Settlement financial transactions are checked for accuracy against contractual documentation, and agency fees are calculated and safeguarded during disbursement activities.</p> <p>7.2 Authorised agency disbursements are obtained within contractual, agency and statutory requirements.</p> <p>7.3 Financial systems are updated to reflect authorised transactions.</p> <p>7.4 Agency fees are calculated and safeguarded during disbursement activities.</p> <p>7.5 Due and proper attention is paid to obtaining required authorisations, signatures and identifications prior to disbursement.</p> |
| <b>8 Decide on future contacts with prospects.</b>       | <p>8.1 Nature of future contacts with prospects is assessed in the light of likely agency–client interaction to a given point in time.</p> <p>8.2 Business correspondence records are held on file to provide justification for the continuation or termination of contract, and are communicated without prejudice to the parties involved.</p>  |
| <b>9 Maintain client relationships.</b>                  | <p>9.1 Future business relations are established by mutual evaluation of seller and buyer satisfaction with services provided.</p> <p>9.2 Business records and databases are updated to facilitate networking and informed marketing strategy planning.</p>   |

## REQUIRED SKILLS AND KNOWLEDGE

This section describes the essential skills and knowledge and their level, required for this unit.

### Required skills:

- ability to communicate with and relate to a range of people from diverse social, economic and cultural backgrounds and with varying physical and mental abilities on matters associated with the sale of property
- analytical skills to interpret documents such as contracts, legislation and regulations
- application of risk management strategies associated with the sale of property
- computing skills to access the internet and web pages, prepare and complete online forms, lodge electronic documents and search online databases
- decision making and problem solving skills to analyse situations and make decisions consistent with legislative and ethical requirements associated with the sale of property
- literacy skills to access and interpret a variety of texts, including legislation, regulations and contracts; prepare general information and papers; prepare formal and informal letters, reports

## **REQUIRED SKILLS AND KNOWLEDGE**

and applications; and complete standard and statutory forms

- negotiation skills to assist sellers and buyers to reach agreement on price and conditions of sale of property
- numeracy skills to perform calculations associated with property sales
- planning, organising and scheduling skills to make appointments with sellers and buyers in the process of selling property
- research skills to identify and locate documents and information relating to sale of property.

### **Required knowledge and understanding:**

- agency disbursements, including:
  - authorisations, signatures and identifications that must be obtained prior to disbursement
  - calculation and protection of agency fees during disbursement activities
  - documentation for agency disbursements
  - financial transactions that take place at settlement
- circumstances in which contracts are void, voidable or unenforceable, including:
  - illegality
  - lack of capacity
  - misrepresentation
  - mistake
- consumer protection principles that impact on the sale of property, including:
  - cooling off provisions
  - false representations and misleading conduct in relation to the sale of land
  - impact of consumer protection legislation on contracts
  - insurance provisions
  - penalties and remedies for breaches
  - protection offered for consumers
  - rights and obligations of estate agents
  - secret commissions
- contract construction principles, including:
  - acceptance
  - consideration
  - implied matters in contracts for sale of property
  - negligence
  - offer
- contracts for sale of property, including:
  - chattels and fixtures
  - contract requirements for special circumstances, such as providing finance and sale of units and flats
  - defects in property
  - defects in title

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- effect of acceptance of title
- prescribed or permitted forms
- requisitions on title
- special conditions
- deposit funds, including:
  - capacity in which an estate agent holds deposit moneys
  - circumstances in which deposit moneys may be released by the estate agent to the seller
  - procedures an estate agent must follow when he or she receives deposit moneys from a buyer
- ethical and conduct standards
- general legal principles that affect property law relating to the sale of property, including:
  - adverse possession
  - contracts
  - easements
  - fee simple and life estates
  - general law system and the Torrens system of title
  - mortgages
  - real and personal property
  - restrictive covenants
  - types of interest in land
- insurance
- marketing aids
- methods of sale, including:
  - auction
  - off the plan
  - private treaty
  - reverse auction
  - set sale
  - specialised properties
  - tender
- negotiation techniques
- property inspections
- property sales, including:
  - after-sales procedures
  - agency and statutory documentation
  - sales presentation techniques
- qualifying buyers

## REQUIRED SKILLS AND KNOWLEDGE

- relevant federal, and state or territory legislation and local government regulations relating to:
  - anti-discrimination and equal employment opportunity
  - anti-money laundering
  - consumer protection, fair trading and trade practices
  - employment and industrial relations
  - financial services
  - OHS
  - privacy
  - property sales
- risks and risk management strategies
- settlement, including:
  - buyer's rights to inspect property prior to settlement
  - contingencies that may emerge prior to settlement and the actions that can be taken to avoid one or more parties being unable to fulfil contractual obligations
  - forms prepared at settlement
  - procedure for settling the sale of property
  - responsibilities of sellers and buyers
  - responsibility of seller and buyer with regard to building and content insurance prior to settlement
  - rights of sellers and buyers if either party is unable to settle on the due date
- techniques for identifying needs and motivation of buyers
- trust accounting in real estate.

## RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the performance criteria is detailed below. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

***Enquiries from potential buyers*** may be received through:

- email
- inspections
- office
- open houses
- referral
- telephone
- website.

***Appropriate rapport*** relates to use of techniques that:

- establish and build confidence and trust in the agency and its representatives
- make the buyer feel valued
- promote and maintain an effective relationship with the buyer.

***Buyer requirements*** may include:

- access to transport and facilities
- finance
- location
- price
- purpose of purchase, such as for:
  - business
  - holiday
  - investment
  - private residence
- settlement period
- size of property
- style of property.

***Appropriate interpersonal communication techniques*** may include:

- active listening
- providing an opportunity for the seller or buyer to clarify their understanding of the sales process
- soft questioning and seeking feedback from sellers or buyers to confirm own understanding of their needs and expectations
- summarising and paraphrasing to check understanding of seller or buyer message
- using appropriate body language.

***Factors likely to influence the purchase of properties*** may include:

- buying intentions
- capacity to purchase
- financial limits
- motives
- needs
- preferences.

***Customer due diligence*** may include:

- availability of finance
- identity verification
- record keeping requirements
- reporting requirements.

***Legislative requirements*** may include:

- relevant federal, and state or territory legislation and local government regulations relating to:
  - anti-discrimination and equal employment opportunity
  - anti-money laundering
  - consumer protection, fair trading and trade practices
  - employment and industrial relations
  - financial services
  - OHS
  - privacy
    - property sales.

***Promotional materials*** may include:

- agent and agency profile
- brochures and pamphlets
- posters
- property descriptions
- web page entry.

***Effective questioning techniques*** may include:

- active listening
- clear questions
- different question types
- reflection
- using silences.

***Records of inspection*** may include:

- buyer's reaction to property
- buyer requirements
- name and contact details of potential buyers.

***Factors affecting the successful conclusion of a sale*** may include:

- area and environment in which the property is located
- availability of comparable properties
- marketing preferences of seller
- circumstances of seller and buyer
- professional skills and resources of agent
- state of the market for type of property
- type and condition of property.

***Key decision makers*** may include:

- business associates
- buyer's agent
- family members and friends of buyer
- providers of professional advice, including:
  - accountants
  - building advisers
  - financial advisers
  - legal representatives
  - property advisers
- spouse or partner.

***Presentation skills*** may include:

- active listening
- appearance
- body language
- use of information technology, such as website, virtual tours and online databases
- use of support and promotional materials
- voice.

***Effective negotiation techniques*** may include:

- analytical skills
- listening techniques
- non-verbal communication skills
- personal attributes
- presentation techniques
- questioning techniques
- speaking skills.

***Effective techniques for dealing with conflict and breaking deadlocks*** may include:

- calling in a third party
- clarifying the positions of both parties
- deferring the decision
- preparing a compromise
- restating the position
- summarising the progress to date.

***Effective techniques for closing sale*** may include:

- alternate option close
- assumption close
- competition close
- customer close
- deal or concession close
- direct close
- indirect close
- summary-of-benefits close
- time-driven close.

***Sale of property documentation*** may include:

- contract of sale or real estate, contract note and contract for the sale of businesses
- declaration of selling agent
- financial statement to buyer
- receipt for deposit
- vendor's statement and trading statement.

***Settlement requirements*** may include:

- buyer settlement responsibilities, including:
  - anything the new lender requires, such as a notice of acquisition or a disbursement order
  - bank cheques for the balance of purchase money, plus or minus adjustments
- seller settlement responsibilities, including:
  - any other documents necessary to provide a clear title to the buyer, such as discharge of mortgage, withdrawal of caveats change of name declaration
  - disconnection of services, such as water, gas, electricity and telephone
  - keys
  - notify rating and taxing authorities of sale
  - other services
  - title
  - transfer of land
    - value of land and chattels.

***Deposit moneys*** may refer to:

- capacity of agent to hold
- capacity of agent to release to seller
- procedures for receipt and banking.

***Settlement agents and other assisting professionals*** may include:

- accountants
- conveyancers
- financiers and financial institutions
- landlords and managing agents
- legal advisers
- licensed settlement agents.

## **EVIDENCE GUIDE**

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

### **Overview of assessment**

This unit of competency could be assessed through practical demonstration of selling different types of property using general real estate sales procedures and techniques in line with agency practice, ethical standards and legislative requirements affecting the sale of property. Targeted written (including alternative formats where necessary) or verbal questioning to assess the candidate's underpinning knowledge would provide additional

supporting evidence of competence. The demonstration and questioning would include collecting evidence of the candidate's knowledge and application of ethical standards and relevant federal, and state or territory legislation and regulations. This assessment may be carried out in a simulated or workplace environment.

**Critical aspects for assessment and evidence required to demonstrate competency in this unit**

A person who demonstrates competency in this unit must be able to provide evidence of:

- arranging and conducting property inspections for potential buyers
- completing standard and statutory documentation associated with the sale of property
- knowledge and application of approaches for qualifying buyers
- knowledge of agency practice, ethical standards and legislative requirements affecting the sale of property and requirements associated with the transfer of ownership required for the legal sale of all types of property and businesses
- knowledge of consumer protection principles that impact on the sale of property
- maintaining business records associated with the sale of property
- maintaining communications with sellers and buyers throughout the sale process
- negotiating the sale of property with sellers and buyers
- planning and delivering effective sales presentations to facilitate the sale of property
- knowledge of agency practice and legislative requirements associated with agency disbursements
- managing contracts for sale of property to settlement
- monitoring the lodgement of documents for the correct transfer of ownership required for a legal sale of all types of property and businesses
- preparing documentation for agency disbursements.

**Context of and specific resources for assessment**

Resource implications for assessment include:

- access to suitable simulated or real opportunities and resources to demonstrate competence
- assessment instruments that may include personal planner and assessment record book
- access to a registered provider of assessment services.

Where applicable, physical resources should include equipment modified for people with disabilities.

Access must be provided to appropriate learning and/or assessment support when required.

Assessment processes and techniques must be culturally appropriate, and appropriate to the language and literacy

capacity of the candidate and the work being performed.

Validity and sufficiency of evidence require that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice with a decision of competence only taken at the point when the assessor has complete confidence in the person's competence
- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence
- where assessment is for the purpose of recognition (RCC/RPL), the evidence provided will need to be current and show that it represents competency demonstrated over a period of time
- assessment can be through simulated project-based activity and must include evidence relating to each of the elements in this unit.

In all cases where practical assessment is used it will be combined with targeted questioning to assess the underpinning knowledge. Questioning will be undertaken in such a manner as is appropriate to the language and literacy levels of the candidate and any cultural issues that may affect responses to the questions, and will reflect the requirements of the competency and the work being performed.