

## Step-by-Step Guide to Selling Your Empty Property

### INTRODUCTION

This leaflet will guide you through the process that is involved in selling a property, from preparing the property to accepting an offer and completing the sale. Selling a property involves a complex legal process. Therefore it is advisable to employ a legal professional, either a Solicitor or licensed Conveyancer, to carry out the legal process of the sale of your property. You will have to pay a fee for their services. Your Solicitor will complete the legal transfer of ownership once you have agreed the sale with a buyer. The Solicitor can also help with other matters, such as negotiating and accepting an offer.

If you want to sell your empty property then follow these 7 simple steps:

Step 1: Preparing your property

Step 2: Getting your property valued

Step 3: Putting your property on the market

- Using an Estate Agent
- Advertising the property yourself
- Selling at Auction
- Selling to a Landlord: 'Invest In Sheffield' Scheme

Step 4: Showing the property

Step 5: Negotiating and accepting an offer

Step 6: Conveyancing

Step 7: Completing the Sale

### STEP 1: PREPARING YOUR PROPERTY

Before you put your property on the market you need to prepare it so that it realises its maximum potential price. The property must be ready for people to look around it once it is on the market.

A few simple improvements to your property could help you to sell it more quickly and even increase its value.

Here are a few tips:

- First impressions are important, so tidy up the front of the house, clear the path, get rid of any rubbish and cut the grass.
- Get tidying! Give the house a good clean especially the kitchen and bathroom and clear out any clutter to make the rooms look bigger. A spacious and clean house will attract a buyer.
- Clean the windows inside and out to let more light in and make the rooms feel more airy.
- If the walls are a bit worn or dirty, give them a fresh coat of paint. Light and neutral colours appeal more than dark or very bright colours.
- Complete any necessary repairs, such as repairing dripping taps and oiling door hinges.
- If you have a little more money to spend, it may be worth updating or replacing the kitchen or bathroom. This can help to sell your property and may also add value to it.

If your property has been empty for some time and you have little money to replace anything, it may still be worth having a good tidy up inside and out.

## STEP 2: GETTING YOUR PROPERTY VALUED

There are 3 ways of getting your property valued:

1. **By a professional:** A property surveyor can professionally value your property. This is likely to provide the most accurate valuation of a property.
2. **By an estate agent:** Estate agents value a property based on the price that properties of a similar size and type are selling for in the same area. They will then set an estimated asking price. The selling prices achieved by comparable properties in your local area will affect the value of your property. Estate agents are able to monitor changes in the property market and adjust the asking price accordingly to ensure that the property will sell.
3. **By estimating the value yourself:** You could do your research and value your property yourself. Find out what similar properties have sold for recently in your local area. You can also look through local newspapers and on the Internet to find out what price similar properties have sold for. This will give you an idea of the value of your property. However, there is a risk that you may get it wrong, which may affect the sale of your property.

Once you have an idea of your property's value, set your asking price, be prepared to negotiate. Be careful not to overprice your property as it may be difficult to sell, the longer it stays on the market.

## STEP 3: PUTTING YOUR PROPERTY ON THE MARKET

There are several different ways of putting your property on the market. You can:

- 1 Employ an estate agent
- 2 Advertise the property yourself
- 3 Put the property up for auction
- 4 Sell your property to a local accredited landlord who may wish to buy empty properties for letting in your local area.

## **1. USING AN ESTATE AGENT**

Using an estate agent to sell your property makes the process easier as they will arrange many things for you. An estate agent will:

- Value your property and advertise it in the best way in order to target suitable buyers.
- Erect a 'For Sale' board outside your property.
- Produce an information pack on your property which will include photographs of the property and measurements of each room.
- Arrange viewings of the property for you and show people around the property. If you have little free time, they can also show people around the property when you are not there.
- Receive offers made by potential buyers and can help to negotiate offers to help you to achieve the maximum price for your property.
- An estate agent may also give you tips on any improvements you could make to your property to help achieve a sale.

Most estate agents charge between 1% and 3% commission on the sale price of the property for their services. VAT is charged on top of the commission percentage. Some agents charge a flat fee instead of commission. However, you have to pay this fee whether they sell your property or not.

You can use just one agency to sell your property or you can use several agencies, which is called 'multi-agency'. If you use the 'multi-agency' option you have to pay a higher rate of commission to whichever agency sells your property.

*Please note: The estate agent does not carry out the legal side of the selling process; you will still need to employ a legal professional to carry out the legal process for you.*

## **2. ADVERTISE THE PROPERTY YOURSELF**

Selling your property without using an estate agent is a cheaper option, although it does require more of your time. You will save money on estate agency fees, although you will still need to employ a solicitor to take over the legal process of the sale.

You could find a prospective buyer for your property by advertising it in your local newspapers or on the Internet. To advertise on the Internet you usually

have to pay a one-off fee for an advertising package. You will need to produce an information pack for prospective buyers with details of your property, including the room dimensions together with internal and external photographs of the property.

Potential buyers will contact you directly to arrange viewings and make offers so you must have the time available to show people around the house yourself.

To effectively market and sell your own home in this way you need to be motivated and well organised. To increase your chances of selling your property, you could use an estate agent as well as advertising it yourself.

### **3. SELLING AT AUCTION**

If you sell your property at auction it may sell for more or less than what you expect. However, you can set a 'reserve price', which means that the property cannot be sold for less than this price. You agree on the minimum price with the auctioneer before the auction.

If you sell your property at auction, you have to pay commission to the auctioneer, which is usually around 2.5% of the sale price.

One advantage of selling your property at auction is that auctions attract a large number of investors, who might be prepared to pay more for your property if they feel that it is a good investment.

### **4. SELLING TO A LANDLORD**

Some local Council's may have schemes set up whereby you can sell your property to an accredited landlord wishing to buy empty properties for letting in your area. Rather than using an estate agent or advertising the property yourself, you could simply contact these landlords directly to find out if they would be interested in buying your property. This will enable you to directly negotiate the sale of your property and could save you money in estate agency fees or advertising costs.

This also benefits your local economy as these responsible landlords are effectively investing in their local area rather than 'land-banking' as may occur with absentee landlords.

Please note: This any list should not be treated as a list of Council-approved buyers and you would enter into any agreement at your own risk. The Council would not be a party to any transaction and would accept no liability.

Occasionally, Housing Associations may also be interested in buying empty properties. The Housing Corporation website has a list of Housing Associations working in your area; [www.housingcorp.gov.uk](http://www.housingcorp.gov.uk)

Whichever way you choose to put your property on the market, all properties will require a Home Information Pack (HIP). From 10 September 2007 all properties with 3 or more bedrooms will need this statutory report. Those properties with 1 or 2 bedrooms will require the report at a later date. The HIP report should include the following information:

- Terms of sale
- Evidence of who owns the property
- Energy Performance Certificate
- Local Authority Searches and Enquiries
- Drainage and Water Search

For more information on Home Information Packs go to [www.homeinformationpacks.gov.uk](http://www.homeinformationpacks.gov.uk)

#### STEP 4: SHOWING THE PROPERTY

Once you have put your property on the market potential buyers will start to arrange viewings with the estate agent or with you directly if you are selling the property yourself. When showing your property to potential buyers show it off and also be positive about the house and the area. First impressions are very important.

To show the house at its best, before each viewing:

- Make sure the whole house is clean and tidy
- Open the windows to get rid of lingering smells
- Put the heating on to make the house feel warm and inviting
- Eliminate all distractions-put the pets outside and turn off electrical appliances
- Let the viewers into the room first and give them space to have a good look around on their own.

However, buyers and developers who visit properties that have knowingly been empty for some time will not be expecting the property to be warm and inviting and in the same condition as a lived in home.

#### STEP 5: NEGOTIATING AND ACCEPTING AN OFFER

If you sell your property through an estate agent, the agent will negotiate with the potential buyer to try to get the best possible price for your property. If you sell the property yourself, you must negotiate with the potential buyer.

Be prepared to be flexible when dealing with offers from potential buyers. If you hold out for too long you may risk missing out on a good offer. However, be careful not to make a rushed decision.

An offer is a sales contract so look at it carefully before you accept it. Once you have accepted an offer, it is not illegal to accept a higher offer from someone else.

## STEP 6: CONVEYANCING

'Conveyancing' is the legal process of the sale of the property. We advise you to employ a legal professional to carry out this process, as discussed above.

The Conveyancer or Solicitor will prepare a draft contract. When you are satisfied with all matters in the contract, you sign it. The draft contract and proof of your ownership of the property will be given to the buyer. If the buyer is satisfied with the contract, the contracts are exchanged.

You and the buyer are then legally bound to the sale. If you decide to pull out you will be liable for expenses and penalties. No changes can be made to the conditions of the sale once the contracts have been exchanged unless both the buyer and the seller agree.

You should inform your gas and electricity companies that you will be leaving the property and arrange for a final meter reading to be taken.

## STEP 7: COMPLETING THE SALE

Once the contracts have been exchanged a completion date will be set. This is the date when the sale of the property is finalised and the buyer becomes the legal owner of your property.

You then agree a moving date with the buyer. You must arrange to hand over the keys and leave the house empty by completion day. The solicitor will collect all monies, transfer the deed, pay the closing fees and discharge the mortgage if applicable.

The sale is completed!