

SHOULD A SOLE MANDATE BE CONSIDERED WHEN OFFERED BY AN ESTATE AGENT?

A **Sole Mandate** is an instruction to sell a property by one specific **estate agent** or agency at a time. A **Sole Mandate together with a Marketing Plan** should clearly indicate what services will be offered and what commission is payable for these services, together with the terms and conditions of the mandate. If you are the seller and employ the **estate agent** or agency to market your property, it's important that you understand all aspects of the terms and conditions of the agreement as it is legally binding agreement. You can request changes to be made by the estate agent, to be agreed upon within reason.

REQUIREMENTS FOR A SOLE MANDATE

The Estate Agency Affairs Board Code of Conduct requires that a sole mandate must be in writing, as opposed to an open mandate that may be granted verbally. The seller must sign the sole mandate and the expiry date of the mandate must be recorded in the agreement. The estate agent must furnish the seller with a copy of the mandate upon conclusion thereof. The Code of Conduct for estate agents also protects sellers, by requiring that the estate agent must explain the meaning and consequences of the material provisions of the sole mandate to the seller. In particular, the estate agent must explain the legal implications should the seller, during the currency of the sole mandate, sell the property without the assistance of the estate agent or through the intervention of another estate agent.

ADVANTAGES OF A SOLE MANDATE

- The seller should get a better price by employing a sole real estate agent
- The agent puts more money and energy into marketing your property
- Avoids double commission claims
- Affords the seller more privacy and security
- Too many agents can cheapen the property
- Only one for sale sign boards outside your property, thus one point of contact
- The sole mandate agent will make full use of his or her team and buyer contact list to effect a quick sale at the best price

RISKS OF NOT SIGNING A SOLE MANDATE

- Less time is spent on marketing the property for sale, with less resources dedicated to the property
- Higher security risk, due to greater exposure by so many different agents and other individuals
- More disruption of seller's privacy
- Various sale boards, which could create the impression of a desperate seller
- Bargaining down of price by a buyer dealing with different agents
- Duplication of buyers
- On occasion the confusion of double commission claims

FURTHER BENEFITS TO A SELLER COMMITTED TO A SOLE MANDATE

A sole mandate which is usually set for an average of 3 months, but rarely longer than 6 months, excludes competing agencies that act as free riders in the market. A sole mandate, therefore, serves as incentive for the reputable estate agency to focus all its energy and resources on selling a property.

There is considerable merit in considering the granting of a sole mandate to a reputable estate agent as the agent can still make use of other agents within the agency and affiliate agents, as long as the deal is struck in a manner where it does not influence the seller's price in a negative manner and commission sharing is not an issue.

"I can guarantee my services and marketing plan. If the right buyer is in the market, my marketing efforts will find him."