

Selling Commercial Property

Are you considering selling a commercial property? The aim of the Bright Property website is for the vendor and buyer to deal directly with each other, so we have produced this Selling Commercial Property Guide to help you.

Step 1 – Initial considerations

- Decide what your objectives are: whether it is to sell quickly or achieve the best price. This will then reflect how much time and money you spend preparing your property for sale.
- You may feel that your property could benefit from some maintenance, such as the leaky roof fixing and the windows painting.
- Are there any obvious defects or non-conformities to the premises? Does the property comply with Health and Safety and Fire Regulations? Are there any Environmental issues? It may be worthwhile remedying this at the outset.
- What items are to be included in the sale?
- Is the property subject to a secured loan? Do you need consent from the lender?
- If improvements or alterations have been carried out, ensure that the Local Authority or other relevant body approval has been obtained and the documentation is available for inspection.
- Is VAT payable on the sale price? Are there any capital allowances applicable to plant and machinery installed in the property?
- Obtain quotes from solicitors/conveyancer to do the legal work:
www.solicitors-online.com
www.LawyerLocator.co.uk

Step 2 – Valuing your Property: an Art or a Science?

Generally we all have some idea of the values of our property and what we would like to achieve, and the ultimate selling price is the price agreed between a willing seller and a willing purchaser.

Unless the property is very specialist, there are generally comparables in the area that will give you an indication as to your property's value. Looking in the local property pages will also give you an indication of how the market is performing, i.e. the number of properties available and what prices properties are being marketed for.

Be realistic when pricing your property. If you undervalue it you could be inundated with people looking for a bargain and then you could be disappointed when you don't achieve the price you want. Alternatively, by overpricing you may deter potential buyers.

Over-pricing is one of the most common reason people do not sell their property because mortgage lenders will not lend against the property. Give yourself a margin of what you are prepared to achieve below the asking price.

Step 3 – Marketing

The purpose of Bright Property's website is to give you the best tools to market your property. All you need to do is decide which package you think will be most appropriate for your property, take photographs, measure the property, decide what is to be included in the sale and identify the key features. Once this information has been entered into your Bright Property advert you are ready to go!

As soon as the board is received make sure that you put it up straight away. Apart from the website, this is one of the most effective ways of potential buyers identifying your property.

Step 4 – Viewings

As soon as your advert is live on Bright Property, be prepared to respond to enquiries quickly, as a delayed response may result in a lost sale.

As with most Estate Agents, you will be expected to conduct the viewing. It is usual that viewings are by appointment only, allowing you to ensure that your property is presentable and that you are available.

Things to bear in mind:

- Be aware that you are allowing strangers into your property, so make the necessary provisions.
- Demonstrate the best use of a space, e.g. remove any rubbish and ensure all areas are accessible.
- Print off Bright Property's online details to give to potential purchasers.
- Focus on the positive aspects of the property, e.g. excellent location, air conditioning, useable space, parking, proximity to major roads etc.
- It is worthwhile getting feedback from viewers as to what they liked/disliked about the property so that you know what changes you can make. Follow up the viewing with a phone call or email.

Step 5 – Negotiations

You will have already decided in your mind the minimum price you are prepared to accept.

When someone makes you an offer, you will know whether it is acceptable or not based on your circumstances. For example, if you need to move quickly a lower offer may be preferable if the other party is not in a chain and is able to move quickly.

It is worthwhile establishing from the purchaser the following so that you are aware if there maybe anything that is likely to hold up the sale:

- Are they a cash purchaser or are they getting a mortgage? If a mortgage, what deposit are they putting down?
- Have they a property to sell? If so, is it on the market yet and do they have a buyer?
- What date do the purchasers want to complete by?

Once these aspects have been agreed, it would be advisable to confirm in writing the terms of the sale, i.e. the price, the fixtures and fittings that are included, the parties involved and their respective solicitors/conveyancers. Upon this agreement, the legalities can begin and your representatives can be appointed.

Step 6 – Legal Work, Surveys and Valuations

Whether you are using a solicitor or conveyancer you will need to ensure that you have the following details and supporting documents. You will be required to complete the following:

- A property information form: this is a standard form issued by solicitors/ conveyancers or available from the Law Society. This is where you need to provide information about the property such as rights of way/boundaries etc.
- A fixture and fittings form detailing what you have agreed to sell to purchaser within the sale, e.g. air conditioning. It is advisable to decide at the beginning what you are prepared to leave so that potential purchasers are aware from the outset rather than causing unnecessary negotiations at a later stage. You can change these before the contract is agreed.
- Your solicitor will need a copy of the Title Deed and any Charges that you may have on the property such as a mortgage.
- The contract can then be drawn up which sets out the main terms of the proposed agreement, including your names and the agreed price. This will then be sent to the buyer's solicitor. At this stage searches will be carried out and any surveys that are required.
- Once the contract is agreed and all searches and surveys have been undertaken the contracts can be exchanged and a date agreed for exchange. **At this point neither party can withdraw easily with out the possibility of incurring financial penalties.**
- At completion, the Title Deed and transfer document will be transferred to the buyer's solicitor in exchange for the money for the property. This will then be used to repay any mortgage or loan you may have and the fees associated with the sale of the property. You then get the remainder, unless you are buying another property. Arrangements then have to be made for collection of the keys and the new owner takes possession of their property.