



# Sales Training

*Section One - Sales Documentation*



A modern office interior with a dark wood wall, a circular light fixture, and a sign that says "Hello only realty". A vase of colorful flowers sits on a stone coffee table in the foreground. A leather armchair is visible on the right. The background shows a glass-walled conference room with a table and chairs.

# Hola!

Welcome to the World of Residential Sales

# Your Sales Training Plan

*Documents*

*Internal Process Flow*

*Commission Structure*

*Mandate Types*

*The Sales Process*

*Property Handover & Payroll*



# Sales Documents

*We have a comprehensive Sales Document Pack available for use. All documents are digitised and will be shared to your Google Drive by your coach.*

**SOLE MANDATE**

**OPEN MANDATE**

**SECTIONAL TITLE OTP**

**FULL TITLE OTP**

**MANDATORY DISCLOSURE FORM**

**PRE-QUALIFICATION**

# Sales Mandate

*The Mandate is the contract with the owner which outlines the terms and conditions of what our service is and what both the landlord and agency is responsible for.*

*A mandate is a legal agreement between an agent and a seller which sets out the terms upon which the agent would market and sell the property as well as the commission.*

*There are three types of mandates and sellers should note the differences and potential risks, specifically the risk of double commission where more than one agent is mandated to sell a property.*

*Sole Mandate*

*Open Mandate*

*Dual/Joint Mandate*



# Why is the Mandate Important?

- 1. Outlines expectations from both parties*
- 2. Defines how both parties will behave during the course of the contract*
- 3. Is a legally binding agreement which protects the agency and the owner*
- 4. Determines the amount of commission the agency will be paid*
- 5. Confirms the agency has authorisation to act on behalf of the owner in dealings with the tenant*

*The Mandate is an editable PDF and simple to complete. Please ensure that all information is completed and the contract is signed by all parties.*



# Sole Mandate

*A sole mandate is with a single agent for a fixed period, usually three months. The agent would be entitled to a commission regardless of who sourced the buyer, although it is usually the agent. This is the best type of mandate as it provides for a single agent focus and avoids double commission risks. It will create a strong working bond with your client as you are able to focus on providing dedicated service to them.*

*For an agent, a Sole mandate incentivizes the agent to focus on marketing the property and to negotiate the best price as they are operating with no competition from other agents. This security makes it easier to spend money on wide-reaching marketing, premier listings on property portals and social media, show days and viewings.*

*If the agent does not sell the property within the mandated timeframe, the mandate may be extended or terminated.*



# Open Mandate

*An Open Mandate is like an open market for agents and brings with it a healthy sense of competition. The owner can list with as many agencies as they wish, with everyone having the opportunity to sell.*

*With an open mandate the sellers have the right to appoint as many other real estate agents to market the property as they wish, or even to sell the property privately. Open mandate sellers usually appoint several agents to market their properties.*

*This is what is probably so appealing to most sellers about open mandates: They have the right to appoint as many real estate agents as they chose, and can cancel with non-performing agents, as outlined in the cancellation clause of the mandate.*





# Dual or Joint Mandates

*A "Dual" or "Joint" mandate is not actually referred to in the Act.*

*Essentially this is also a sole mandate, but signed with two or more agencies, rather than just one.*

*The agent who sources the buyer will be entitled to commission.*



# The Offer To Purchase (OTP)

*An offer to purchase (OTP) is the document governing the sale agreement of a property between the buyer and seller. It is a legally binding contract, so it is important to take your time and complete it accurately.*

*We have two types of OTP documents, one applicable for Sectional Title Properties and one to be used for Full Title Properties. In general both are virtually identical documents, with a few minor applicable adjustments based on the property type.*

# Clauses Within The OTP

*This is not an exhaustive list, and parties may negotiate and agree on any terms which can be included in an offer to purchase, however, for ease of discussion and regular practice followed, some points are discussed below:*

- 1. The parties to the contract*
- 2. Description of the property being sold*
- 3. Purchase price, including details of how the purchase will be paid, and when payment is due.*
- 4. Suspensive conditions, such as obtaining finance/mortgage bond or sale of an existing property.*
- 5. The agreement also includes the obligations of the seller and purchaser in respect of the agreement, such as*
  - :- a. The seller is responsible for all rates and taxes up until transfer and is obliged to provide an electrical compliance certificate prior to transfer, and if applicable the following certificates:*
    - o Electrical fence certificate and gas compliance certificate.*

*For coastal properties, an entomologist certificate would need to be obtained by the seller and possibly a water compliance certificate. b. Obligations of a purchaser usually include signing of documents, payment of costs and transfer duties, when requested to do so by the conveyancer.*

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# Clauses Within The OTP (2)

6. *Details of the attorneys appointed to attend to the registration of the transfer, and on whose behalf such attorney acts or represents.*
7. *Where a non-resident sells immovable property in excess of R2-million in SA, this detail must be confirmed in the agreement of sale as transfer is subject to withholding tax.*
8. *Income tax status or provisions relating to the parties SARS income tax act compliance.*
9. *Occupation and Possession*
  - a. *Possession usually coincides with date of transfer, however if occupation will be taken by the Purchaser prior to transfer, the agreement must include a provision for occupation rental payable.*
10. *Estate Agent - clause regulating payment of agents commission.*



# Clauses Within The OTP (3)

11. *Default and consequences of default – clause regulating rights and obligations in the event of a non-adherence to the contract.*

- *This clause dictates the process to be followed if a party is in breach of their obligations under the agreement.*
  - *The clause will also reserve certain rights to an aggrieved party such as to cancel the agreement and/or retain any monies paid or claim for damages suffered or compel the purchase to perform in terms of the agreement.*
  - *It will usually provide for a notice to be sent (default notice) and when delivery of such notice takes place. The notice will afford the defaulting party a certain period (as agreed to in the contract) to remedy the breach, failing which the aggrieved party may elect how to proceed in terms of the breach.*
  - *Also important to consider, is should the agreement cater for penalties in the event of delays caused by a party, a purchaser may be held liable for any delays cause by him or her.*
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# Important To Note

- 1. Purchase price - This is the price the buyer have set to purchase the home. Make sure you have created an offer expiry date to limit the time for the seller to accept, reject, or make a counter-offer.*
- 2. Conditions of sale - These are stated by both the Buyer and Seller in the Offer to Purchase to cover specific conditions of sale, like "subject to finance and bond approval" and "subject to the specialist inspection approvals". Only once the bank has approved the loan does your offer become valid, and so the buying process continues.*
- 3. Occupation date – this is the stipulated date on which the buyer will be moving in. Should the seller need to remain in the house, for whatever reason, the buyers are entitled to charge them an agreed-upon occupational rent until they move out.*

*Occupational rent - If the buyer, on the other hand, needs to occupy the house before the date stipulated, the seller is entitled to charge the buyer an agreed-upon occupational rent.*





# Important To Note (2)

5. *Deposit – Sometimes a buyer will put down a deposit for the property to really express their interest. If you choose to do so, include it in the Offer to Purchase. It is required that the deposit amount be held in an interest-bearing account until the transfer is complete.*

6. *72-hour clause - This is often automatically included in an Offer to Purchase which allows the seller an additional 72 hours to look for other potential buyers. If the seller accepts a different offer, then you have another 72 hours to meet their requirements.*

7. *Fixtures - These are non-fixed items found on the property, like specific furniture, curtains and mirrors, that you would like included in the purchase price of the property. All items need to be listed in the Offer to Purchase agreement.*



# Mandatory Disclosure

*The new Property Practitioners Act requires that a disclosure document is completed by the property owner for both rentals and sales. This needs to be provided to all prospective buyers and tenants before they enter into a contract with the owner for the property.*

*The disclosure is a digital document and easy for the client to complete. Please ensure that you obtain one for each property.*

# Buyer Pre-Qualification

## **Why Prequalify Your Buyer?**

A pre-approved certificate establishes your buyers credit rating and gives you an accurate indication of how much they can afford.

## **Do Buyers Need a Deposit?**

Over 75% of all home loans that are submitted to the banks without deposits are approved first time.

## **Which Bond Originator Do We Use?**

Only Realty Property Group is an ooba shareholders and have been since 2018. As shareholder, it is compulsory for all bonded deals to be presented to ooba for them to have an opportunity to quote.

## **Transfer Costs**

Your client will still need funds available to pay for both transfer and bond registration costs. It's best to ask upfront to ensure this is available.

## **Cash Buyers**

Cash buyers are an agents dream clients. These buyers will not need to apply for a bond and often make the process of the sale conclude slightly faster.

## **Subject To Buyers**

It's important to know upfront if your buyers are needing to sell another property in order to purchase.



# Noteable Numbers

**75%**

OF ALL BONDS WITHOUT  
DEPOSITS ARE  
APPROVED

**128K**

HOUSES SOLD  
NATIONALLY IN THE  
FIRST HALF OF 2021

**ALL**

DOCUMENTS UPDATED  
ANNUALLY



**We're not here to take  
part. We're here to take  
over.**

Connor McGregor



# Remember

*Please make sure that the below is done with your coach or Franchisee.*

**UNDERSTAND ALL DOCUMENTS**

**MEET YOUR OOBA CONSULTANT**

**PRACTICE COMPLETING  
DOCUMENTS**

**ASK QUESTIONS**

**BE ABLE TO EXPLAIN CLAUSES**

**MAKE USE OF DOCUSIGN**



**Do you have any  
questions?**

*Feel free to reach out!*





*Ready for the next module?*



# Process Flows

