


**REINSW**

 REAL ESTATE INSTITUTE  
OF NEW SOUTH WALES

# NOTICE OF REVISED ESTIMATED SELLING PRICE

## PROPERTY, STOCK AND BUSINESS AGENTS ACT 2002 (NSW) – SECTION 72A

*This notice should be completed by the Agent and given to the Principal when the Agent revises their estimated selling price for the Property during the term of the agency agreement.*

<b>Principal:</b>	Name	
	ABN / ACN	
	Address	
		Postcode
	Phone: Work	Mobile
	Home	Fax
	Email	

<b>Agent:</b>	Name	
	Licensee's Licence No.* (see note)	
	ABN / ACN	
	Trading as	
	Address	
		Postcode
	Phone: Work	Mobile
Fax	Email	

\* **Note:** If the Agent trades as a corporation the licensee's licence number is the corporation's licence number.

<b>Property:</b>	Address of Property for Sale
	Postcode

**Notice:**

In accordance with section 72A(4)(b) of the Act, this notice amends the estimated selling price in the agency agreement between the Principal and the Agent dated \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Revised Estimated Selling Price:**

Agent's opinion as to current estimated selling price (or price range): \_\_\_\_\_

**Reasons for the Change in Estimated Selling Price:**

The estimated selling price is no longer a reasonable estimate of the likely selling price of the Property because

**Evidence of the Reasonableness of the Agent's Revised Estimated Selling Price:**

- Evidence is attached to this notice
- The Agent has provided the Principal with evidence before the date of this notice

**Notes:**

- The revised estimated selling price is not to be construed as a valuation and if a price range is used then the highest price in the price range must not be more than 10% higher than the lowest price in the price range.
- Evidence of how the Agent determines their current estimated selling price may include comparable sales, market conditions, the Property's features and other relevant information.
- As soon as practicable after the date of this notice, the Agent must take all reasonable steps to amend or retract any marketing of the Property so that it reflects the revised estimated selling price set out in this notice.
- The Principal's consent is not required to amend the agency agreement for the purpose of revising the estimated selling price.

**Service of Notice**

Full name of the Principal to whom this notice is being served: \_\_\_\_\_

Full name of the person receiving this notice on behalf of the Principal: \_\_\_\_\_

Date of Service: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Time of Service: \_\_\_\_\_ Method of Service: \_\_\_\_\_

Full name of the person serving this notice: \_\_\_\_\_

Agent's Name: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Signature of Agent's Authorised Representative: \_\_\_\_\_

# Underquoting quick guide

New underquoting laws commenced on 1 January 2016. Do you understand your obligations? Here's a quick guide on the top five changes you need to know about.

## 1 Determine the estimated selling price

Under the *Property, Stock and Business Agents Act 2002*, you are required to include an estimated selling price in your agency agreements. This estimated selling price is your reasonable estimate of the likely selling price for the property. You can express it either as a single price or a price range. If you use a price range, the highest price in the price range cannot exceed the lowest price by more than 10 per cent.

What is a reasonable estimate will depend on the particular circumstances of each property. So your estimated selling price should only be determined after careful consideration of the unique factors that will affect the selling price of the property, and based on your knowledge, experience and professional skills.

## 3 Use the right terminology

The Act now bans the use of phrases such as 'offers above' and 'offers over' when stating or publishing the estimated selling price. It also bans the use of any similar words or symbols. However you can use phrases such as 'price guide', 'auction guide', 'bidding guide' or 'price estimate', as long as your published or stated price or price range complies with the Act's other requirements.

## 5 Record selling price statements

You are now required to keep a written record of any and all prices you have quoted in relation to the property. These written records will assist you to demonstrate that you have not quoted a price that is lower than your estimated selling price.

This new requirement means that you may have to change some of your business practices. While not currently required by the Act, you should consider including the names of the people who you have communicated with about the property's likely selling price or price range. This will help if you are investigated by NSW Fair Trading.

At an open house, you're likely to speak to a number of potential buyers and may provide the same information to everyone attending the inspection. If this is the case, you can simply make a single record of the uniform information provided. However, if you have a conversation with an individual over the phone or face to face, then you must make an individual written record of the information conveyed. ♦

## 2 Evidence the estimated selling price

You must provide the seller with evidence of how you reached the estimated selling price for the property. You must also record and keep on file any and all relevant information that shows how you determined the estimated selling price to be reasonable.

Remember to keep file notes on things such as comparable sales, market conditions, the property's features and any other relevant information. This is important because your file notes may be used by NSW Fair Trading to substantiate your estimated selling price.

## 4 Regularly revise the estimated selling price

During the course of the marketing campaign, market changes or feedback from potential buyers may indicate that the estimated selling price is no longer a reasonable estimate of the likely selling price. If this is the case, you must revise the estimated selling price. NSW Fair Trading advise that you should review your estimated selling price on a weekly basis and consider if the estimate is still reasonable.

If you do revise the estimated selling price, you must give written notice to the seller of the revised estimated selling price (whether that be a single price or price range) and provide them with evidence to support the reasonableness of your revised estimated selling price. You'll also need to amend the agency agreement to reflect the revised estimated selling price.

To assist you to comply with your new obligations, REINSW has prepared a *Notice of Revised Estimated Selling Price*, which is available via REI Forms Live and at [reinsw.com.au](http://reinsw.com.au). If you complete the notice correctly and serve it at the correct time, you will have satisfied your obligations.

And don't forget that you will need to take all reasonable steps, as soon as practicable after revising the estimated selling price, to change or withdraw any advertisement or marketing material displaying a selling price that is different to the revised estimated selling price.

## Underquoting Guidelines

NSW Fair Trading has released the *Underquoting Guidelines for Residential Property* to assist agents in understanding their obligations in relation to underquoting. Download a copy of the guidelines at [fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au)

The information in this article was drawn from the NSW Fair Trading Underquoting Guidelines for Residential Property (dated December 2015).

For more information on underquoting please visit [reinsw.com.au](http://reinsw.com.au)