



Confirming your Opinion of Price

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Newsletter

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Australian College
of Professionals

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Confirming your Opinion of Price

Compliance with the Property and Stock Agents Act 2002 is a major component of the role of the Licensee-in-Charge of all property agencies in NSW.

This is to ensure that should NSW Fair Trading visit your office (either in person or by electronic means) and request to see your files, the Licensee-in-Charge can be confident that the agents working within their agency are completing their tasks in a compliant manner and not going to attract fines for the agency.

One area of compliance that you can be assured will be checked in a regulatory audit is a sales file. In reference to the Secretary's Guidelines for the Proper Supervision of the Business of a Licensee under s32 of the Property and Stock Agents Act 2002, it should be noted that there are three steps that should be followed just in relation to the estimated selling price of a property, as set out in your Supervision Guidelines:

1. A licensee must retain a record of information that demonstrates how

the estimated selling price was determined to be reasonable.

This has always been a matter of good practice before March 2020. However as of 23rd March 2020, it has been a legal requirement for an agent to provide a record of how the agent has reached the estimated selling price to a vendor as well as retain a copy of said record on their file. In an audit, one should expect Fair Trading to see this record.

2. Pursuant to clause 6.5 of the Supervision Guidelines, a licensee must ensure that the estimated selling price is reviewed at least weekly to confirm it remains a reasonable estimated selling price.

This means that a weekly review is required by NSW Fair Trading and we have been advised that some agents who are not able to evidence their weekly reviews are being cautioned and/or fined in their recent audits.

If a weekly review of selling price is being conducted and there is no change to the selling price upon that review, a simple line to the vendor



From the office

in your weekly communication with them to state something like: A weekly review of selling price has been conducted and no change to selling price has been made.

3. When changes are made to an estimated selling price, a licensee must ensure:
 - a. the change is communicated in writing to the vendor with evidence of how they estimated the revised estimated selling price as soon as practicable, and
 - b. the relevant agency agreement is amended to reflect the revised estimated selling price.

These are three simple steps that should be easily produced upon request and if you don't have a copy of the Australian College of Professionals' Supervision Guidelines and Policy & Procedures Manuals, then you should get in contact with our team to help your agency be compliant and ready for an future audit.

Rosy Sullivan

Director | College Principal

This past fortnight has seen the ACOP trainers out on the road, from Muswellbrook, Trangie, Oberon, Dee Why and Orange – not to mention the courses in our Sydney CBD office and Castle Hill. Welcome particularly to all of those new students undertaking their Certificate of Registration entry-level training. What a great time to enter the property and the strata industries. It's been a huge fortnight of training and compliance checks for agencies.

Agents are certainly taking the opportunity of a slightly less busy market to upskill for additional licence categories, upgrade to new licences and also to complete their CPD. It certainly is a good time to get this all completed, particularly as NSW Fair Trading is out and about conducting compliance audits.

We have celebrated anniversary's this past week, with Priscilla having been with the College now for 12 months and both Chanelle and Michael Carolan marking 5 years with ACOP. Cake you ask?? Of course there was. The team also had a fabulous night out enjoying a magnificent meal at Sheraton on the Park. Who knows what we were celebrating – well nothing really, other than enjoying each other's company outside of the work environment.

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