

Selling a Property

You may wish to appoint the services of an estate agent. When your agent finds an interested buyer, a Letter of Offer will be prepared by your agent. The seller and buyer will sign separate Letter of Offers. The buyer would usually pay 3% of the purchase price as earnest deposit to his solicitor. His solicitor will then forward the earnest deposit to your solicitor. This is to ensure that the whole transaction is properly documented.

The purchaser has to deliver the sale and purchase agreement and balance of the deposit to you within 14 days. In order to protect your interests, you are advised to appoint a solicitor to check all the transfer and sale documents. Ensure that the sale and purchase agreement does not contain any unacceptable conditions. Please note that the same solicitor cannot represent both parties.

If there is any restriction on the title of your property, your solicitor has to apply for the relevant authorities' approval and/or consent. You will bear such fees and costs for this application.

Similarly, if your property is assigned/charged to a financial institution, your solicitor shall request for a redemption statement from the assignee/chargee. Check that the amount you owing to your assignee/chargee is accurate. Upon receiving the redemption sum, the assignee/chargee shall sign a Deed of Receipt and Reassignment/Discharge of Charge and return your security documents to you. Again, you will bear the fees and costs incurred for this purpose.

In the event the purchaser requires financing, you have to provide a Statutory Declaration and a Letter of Undertaking to his financier undertaking to refund his loan in the event the assignment/transfer cannot take place.

You must produce the latest receipts for outgoings such as quit rent, assessment, water, electricity, sinking fund, etc. It is normal for you to indemnify the purchaser in respect of payments prior to delivery of vacant possession.

As soon as the purchaser pays the balance of the purchase price, you must hand over vacant possession of the property to him. You will incur penalty in the event of late delivery. The balance of the purchase price will be released to you by your solicitor after the transfer has been presented at the land office and vacant possession has taken place.

With effect from 31 March 2007, you are no longer required to pay real property gains tax.
