

Help sheet: 0006

Property Services Regulatory Authority (PSRA) Compliance Help Sheet

Auction of a Commercial/Industrial Property

This is a property service where the Agent is contracted to sell by auction, on behalf of the Client, the commercial, industrial, office, or retail property that is described in a specific Schedule of Particulars and in the event that the property does not sell at auction the Agent may proceed to sell the property by private treaty

The PSRA has specified one Letter of Engagement for the auction of a commercial, industrial, office, or retail property:

Auction of Land Sole Agency - The nature of this agency agreement is that of sole agency and as sole agent, the named agent, is the only agent with the right to sell the commercial, industrial, office, or retail property for the duration of the agreement. PSRA/S43 Form B3-2012 was specified on 10th September 2012 and agents should check on the PRSA website www.psr.ie that it has not been superseded before using it. Any items within brackets should be replaced with the appropriate text or any option which is inappropriate should be removed to confirm the agreement between the client and agent. For example, "*within (NUMBER) days*" could be changed to "*within 21 days*" or "*Arrangements ([will] OR [will not])* be made by the Agent*" would be changed to "*Arrangements will not be made by the Agent*" as appropriate. Additional clauses, which do not negate or conflict with those in the specified form or breach any statutory provision, may be added by agreement of both client and agent. The Society has additional guidance on this Letter of Engagement which is **available by clicking here** or at www.scsi.ie/Regulation/PSRACompliance

In order to create awareness of the new mandatory statutory letters of engagement for property services, the Society has published a consumer guide which is **available by clicking here** or at www.scsi.ie/Regulation/PSRACompliance and it may be useful for agents to incorporate it into their information packs to potential clients

Advised Market Value (AMV) - Agents are required to provide clients with a statement of the advised market value of the commercial, industrial, office, or retail property which they have been asked to value for the purpose of selling. An agent shall not state an estimate of the selling price to a prospective purchaser, in any advertisement, particulars or conditions of sale, or at the auction, a price that is less than the advised market value and the PSRA may require an agent to provide evidence of the reasonableness and means of calculation of any advised market value

The advised market value is the agents reasonable estimate, at the **time** of such valuation, of the **amount**, or of the relevant price **range**, that would be paid by a willing buyer in an arm's length transaction after proper marketing where both parties act knowledgeably, prudently and without compulsion

In addition to the clause in the Letter of Engagement, the PSRA has also specified a Statement of Advised Market Value and PSRA/S55(1)-2012 was published on 23rd October 2012 and agents should check on the PSRA website www.psr.ie that it has not been superseded before using it. The Society has additional guidance on advised market value which is **available by clicking here** or at www.scsi.ie/Regulation/PSRACompliance

Excluded Bidders at Auctions - It is an offence for agents to make or accept bids on behalf of a vendor unless the commercial/industrial property is subject to a court order under the Family Law Act 1995 or the Family Law (Divorce) Act 1996

Building Energy Ratings (BER) - A person offering a property for sale on or after 9th January 2013, or their agent, must ensure that the energy performance indicator of the current BER certificate for the building is stated in any advertisements. The Sustainable Energy Authority of Ireland (SEAI) has published guidance for complying with S.I. 243 of 2012 European Union (Energy Performance of Buildings) Regulations 2012 which is available on the SEAI website www.seai.ie

Money Laundering and Terrorist Financing - The DRAFT guidance that was published in July 2010 to prevent the use of agents for the purpose of money laundering and terrorist financing is **available by clicking here** and the appendices are **available by clicking here** or at www.scsi.ie/Regulation/PSRACompliance

The Society has published a series of regulation helpsheets which are available at: www.scsi.ie or if you have any further queries please do not hesitate to contact us at: regulation@scsi.ie

Helpsheet Reference: **0006**

Published: **30th October 2013**