

ENVOY

The marketing and selling of real estate would be an ideal area of work into which legal executives could expand now that law firms were permitted to sell properties, said solicitor and realtor Rhonda Evans of law firm Rhonda G Evans.

Ms Evans told *Envoy* that legal executives had detailed understanding about the work involved in the completion of contracts for the sale and purchase of real estate.

"They often see clients and complete dealing for the clients. Because they have a great deal of knowledge in this one area of the law, they are ideally suited to working in the area of assisting lawyers in marketing and selling their clients' real estate. They have knowledge of LIM reports and titles and what they mean to our clients."

The Lawyers and Conveyancers Act 2006 changed the law to permit lawyers to market and sell real estate, although commissions cannot be charged.

Ms Evans's firm is one of only 23 law firms in New Zealand that is carrying out such work and she is keen to see more lawyers become involved in selling real estate.

She said that the Real Estate Agents Act 2006 provided that no one could market and sell real estate unless they were licensed under the legislation. However, an exemption in the Act covered legal executives working in law firms.

Ms Evans said that legal executives, by being at the coalface, had seen the pitfalls clients faced in not having a good knowledge of their properties when they came to sell their homes.

"They will be able to see the benefits to their clients the services of marketing and selling their home by their lawyers will bring, when proper research and knowledge of one's own home is competently undertaken."

Ms Evans said that services already being offered to the public in the marketing and selling of real estate were not always satisfactory. Clients felt that they had no alternative but to use real estate agents if they did not wish to conduct private sales. However, the contracts that were used were sometimes unintelligible and clients found the process stressful. Homeowners might be told that their properties were worth a high figure, but then later be advised to sell for a much lower sum.

Ms Evans said that she believed that law firms could do better, providing services that clients wanted to use and preventing problems by dealing with issues in contracts at the outset. She said that property purchases were the largest investment most clients would make and all parts of the equation needed to be examined. This included legal issues such as covenants and easements on titles and council requirements, as well as factual knowledge such as that relating to leaky homes.

Ms Evans said that the commission charged by real estate agents in New Zealand was very high and lawyers could do better by charging on the basis of the time involved in the work they carried out.

Ms Evans has been marketing and selling real estate for two years under the brand "RonnieMo Lawyer Realtor." Her son Geoff is an IT wizard and has ensured that the business offers the most up-to-date technology. This includes iPhone and iPad applications, including viewing LIM reports and title searches on phones, as well as downloading a map of the property's location and viewing nearby amenities. Clients can also view pictures of properties on their phones.

Ms Evans currently sells one to two properties a month and said that her clients had been satisfied with the process. They found it stress free and said that they trusted her, as she was their lawyer.

Ms Evans emphasized that she was a lawyer selling real estate, and not a real estate agent. Clients were charged for the services she provided and would pay fees even if a property did not sell. However, she said that she offered clients the flexibility to select as many or as few services as they wanted. These ranged from signage and the production of flyers to organizing advertising, holding open homes and arranging auctions. Some clients wished the firm to carry out all of the work associated with marketing and selling a property, while others might want only limited services.

Ms Evans gave a number of examples of fees charged for marketing and selling real estate. In one case, she had sold a property for \$420,000 and the clients had paid \$7000, which included all expenses associated with advertising and signage. She said that a real estate agent would have charged between \$16,000 and \$20,000. In another case, a property had been sold for \$425,000 and the fee including marketing and advertising had been \$9000.

Ms Evans said that there had been a huge increase in recent years in the number of prospective buyers using the internet to make preliminary searches for suitable properties. A survey in 2007 had found that signage at 26 per cent and internet searching at 21 per cent were the two most effective methods of selling property. However, in 2010 between 80 and 90 per cent of buyers used the internet as their first means of searching for properties. She said that this had worked strongly in her practice's favor, as it meant that clients could be introduced to properties without the necessity for law firm staff to traipse round large numbers of open homes.

RonnieMo
Lawyer Realtor

