



10% Deposit



Edition: 28th July 2011

A contentious point in many of our training courses is what amount to put on the front page of a Contract for Sale as a deposit when exchanging with only 0.25% of the purchase price.

The front page must always show that the deposit is 10%. It is not relevant what money the agent has received on exchange, but what the deposit is under the contract.

In the 2006 case of *Leong V Sovereign Developments Pty Ltd*, a 1% deposit was paid. A \$6.5 million dollar property was sold to a developer having 1% on the front page and a special condition stating that the rest of the deposit should be paid at settlement or if the contract was ever rescinded. As the matter involved to \$585,000, it went to the Supreme Court.

The Court held that the deposit was only 1% on the Contract and therefore that is all that should be forfeited if the contract is terminated. They considered that the other 9% was a penalty under the contract. Any penalty must be a true reflection of a loss of the vendor. The vendor could not prove a loss of \$585,000 and therefore the penalty was considered as unreasonable. Hence, the vendor could not make a claim on the rest of the deposit.

The proper approach is to have 10% marked on the front page of the contract and to have a special condition stating that the deposit must be paid prior to settlement. Such a special condition is in most solicitors Contracts.

All the agent needs to know is that the amount equaling 10% must be noted on the front page of the contract. Cheers, **Bailey Compton**

and the team at ACP/Leverage

CPD

~~~~~  
**CPD WITH A TWIST**  
**2hr Breakfast CPD**  
**Full 12 points**

**\$199**

**SYDNEY CBD**  
**PARRAMATTA**

*All course dates are  
listed on our website  
visit us today!*

[www.collegeaus.com](http://www.collegeaus.com)

### COR

~~~~~  
1 Day, 3 Day & Weekend
courses available
Covering the whole
eastern sea board!

*All course dates and
prices are listed on our
website visit us today!*

www.collegeaus.com

**Download our July to
December 2011 Course
Calendar**

Here is a great opportunity for any licensed real estate agent to gain their full Diploma of Property Services! We will be running these courses for a short time only. Book now while places are still available.



Diploma of Property Services (Agency Management)

Do you hold a current Real Estate Licence?
If So.....Why not upgrade to a DIPLOMA OF PROPERTY SERVICES (Agency Management). This will give you the skills to:

- ✓ Recruit, Select and Induct Staff
- ✓ Provide leadership across the organisation
- ✓ Act as a Buyer's Agent
- ✓ Co-ordinate risk management system in the property industry
- ✓ Develop a strategic business plan in the real estate industry
- ✓ Ensure a safe workplace in the property industry
- ✓ Market the agency
- ✓ Prepare tender documentation in the property industry

Only 4 days over 4 weeks = 1 day a week
INVESTMENT \$1,200

Course Dates:
Castle Hill: Friday 26th August, Friday 2nd, 9th & 6th September 2011
Sydney CBD: Monday 22nd and 29th August, Monday 5th & 12th September 2011
Times: 9.00am to 5.00pm

Trainers
All of the trainers that will facilitate the workshops for this upgrade course, are experienced practitioners in the property industry. Specific sessions will also be conducted by senior solicitors, accountants and performance psychologists who are employed by the College and have an extensive knowledge of the property industry.



www.collegeaus.com
enquiries@collegeaus.com

Registered Training Organisation
RTO # 91513

P: 1300 884 810
F: 02 9899 4797

[Read more here.](#)



Let's face it, finding staff has never been easy. You are so busy running your business.... servicing your clients should be your number one priority. BUT, you need employees to do all those little things that are stopping you looking after your customers. Shouldn't your time be spent talking to vendors and showing stock to buyers, rather than answering phone calls, doing mail and receiving rent payments? Of course, the answer is obvious. But just the thought of knowing where to start is often another stressor.

The Australian College of Professionals in conjunction with business partner, MG My Gateway, have an employment solution that allows your business to grow by hiring a Real Estate or Business Administration trainee with one simple phone call.

HOW IT WORKS

My Gateway employs a pool of juniors that you can hire NOW!

To free up your time, and allow you to concentrate on running your business, My Gateway will: Advertise, interview and reference check your trainees, but still leave the final decision up to you. Manage all payroll, superannuation and workers compensation responsibilities - its bundled it in one neat package. You will be direct debited, simple and easy.

Arrange all the on-the-job training to ensure that your trainee meets ALL the national training industry standards

Best of all, there are no upfront fees!

My Gateway is like your own HR Department in your back pocket. They will take care of all the paperwork relating to employing new staff. You don't need to set up their payroll, you don't have the worry of contributing routinely to their superannuation and you don't need to set up and maintain the workers compensation paperwork. MG's Charge out rate represents the total cost of employment. You only pay when the trainee is at work - you don't pay for those days when the trainee is on annual leave, sick leave, public holidays etc.

[We have traineeship opportunities available for your business in the field of Real Estate and Business Administration.](#)

if you want more time in your day and would like the freedom of taking on a new employee, you can find out more about My Gateway's hassle-free employment solution by contacting Belinda at the Australian College of Professionals on **1300 88 48 10**.

www.collegeaus.com
enquiries@collegeaus.com

Registered Training Organisation
RTO # 91513

P: 1300 884 810
F: 02 9899 4797

[Read more here.](#)

For more Leverage News or to make a comment you can
[Visit our Blog](#)

**You asked for it...
Weekend Courses & Night Courses**

Call our friendly staff today to find a course near you!

1300 88 48 10

Free Licensing Information Seminars Only 2 dates Left

[Register Here](#)

Not sure how to get your Real Estate Licence?

Come along to our FREE Licensing Information seminars.

You can find out how easy it is to gain your Real Estate Licence by seeing one of our licensing assessors.