

# GUIDE TO BUYING & SELLING OFF-MARKET.

We cover both residential and commercial property in this guide.

**INTERLET**



# INTRODUCTION TO OFF-MARKET AND FEES

In this guide we will cover off-market residential and commercial property acquisitions and disposals.

When searching for real estate in London there are two options. The open market which can be accessed through our sales online portals or estate agencies. The second option is off-market, these properties are not openly advertised and harder to access. It is imperative to seek a specialist broker to access this section of the market. This is where I step in.

## FEES

When buying off-market, it is usual to instruct a buying/search agent to search for your property. Fees range from 2% (incl. of VAT) to 3.5% (incl. of VAT) and is paid only on successful acquisition.

Selling residential property off-market is usually free to vendors. However, there are exceptions to this rule.

On the other hand, commercial property vendors often agree to pay agents fees for disposal/sale when coming to market. Commercial property vendors are accustomed to paying fees, this is due to tradition and culture

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## RESIDENTIAL SALES AND ACQUISITIONS

Vendors sell off-market for a plethora of reasons but usually it is to maintain privacy. Often when a property sits on the open market too long it will adversely affect the price. However, this is ameliorated when listing off-market. When selling your property in this way it is important to choose an agent who has established buyers and good knowledge of the local market.

Buyers turn to this section of the market when they cannot find a property that fits their needs. Over 25% of residential properties sold in 2019 were off-market. This issue is common when searching on popular streets or when requirements are extremely specific.

Search/buying agents make it their business to know what is for sale at any one time. Your agent should be proficient when sourcing property. It is not always the case the ideal property is for sale on the open market. Our expert search agents will contact vendors directly as well as using their large and varied networks to help find your perfect home.

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# COMMERCIAL SALES AND ACQUISITIONS

At the time of writing, there are 597 London commercial property listings on Rightmove as compared to 46,979 residential properties. It is likely that these 597 properties represent just a small fraction of the commercial property available for purchase, so why don't vendors list their property on the open market? If I am shopping for a London commercial property, where do I look?

Business owners are wary to list their premises for sale for a number of reasons:

- Vendors must disclose income/yields received from the property and this financial information is considered sensitive.
- Business owners can also be worried about adversely affecting confidence in their business when they list their trading premises for sale.

The majority of commercial property is sold off-market as vendors usually aren't comfortable disclosing the buildings financials to the open-market. This is not to say that commercial properties aren't found on property portals however it is not common place.

***If you are looking to purchase commercial real estate you must instruct an agent who is familiar with the market. Over 80% of commercial properties are sold off market. Any serious buyer must seek professional help to fully access the market.***

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