

Marketing options for selling your farm



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Thinking of moving to even greener pastures?

Welcome to our top tips for selling your farm





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For Sale

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This guide covers some of the commonly asked questions we are asked by people contemplating selling their farm. It will not answer everything, as each property and situation is different, however we hope it will assist with some general advice and gives you some new options to consider for the decisions ahead.

Property Brokers has a proud, provincial heart. We have grown into a large, successful business that is owned and operated throughout provincial New Zealand. When you work with us you can be guaranteed of a True Team of equally committed agents, marketing experts and support staff, from right across the country, working for you to get the best result.

If you would like to talk to one of our rural agents about the current market or to answer any questions you may have about selling your farm, please call your nearest Property Brokers branch today – 0800 FOR LAND.

Conrad Wilkshire
General Manager – Rural



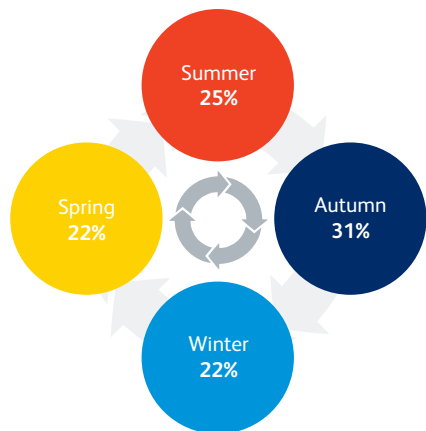
When is the best time of the year to sell?

Farm sales are relatively evenly spread throughout the year.

The diagram shows the seasonal timing of farm sales completed around the country based on sale date (when unconditional) for the past decade. This is for all pastoral and arable farm types and excludes the likes of forestry sales that are not seasonally influenced.

Typically, the busiest season for new dairy farms coming on the market is spring, consistently followed by all other farm types being listed in the summer and autumn seasons.

Some will take more time to sell, contributing to the large autumn sale numbers, as deals are concluded before winter.



How do I choose the best real estate company and rural sales consultant?

Selling a farm will be the largest financial transaction most people will ever undertake; therefore, it makes sense to choose a company and rural consultant that will do the best job for you to achieve a premium price, rather than someone you may know who works in real estate. Here are a few things to consider when selecting a real estate company and sales consultant to sell your farm:

What is the track record of the real estate company?

What is the reputation of the company both in the rural sector and the real estate market in general. Is the company adequately resourced towards the rural market to support the needs of their sales consultant looking after your property and do they have sufficient local knowledge of your region?

What is the sales consultants track record?

Ask your potential sales consultant what they have sold in recent times so you can assess whether they have the experience and professionalism to direct toward your property. All salespeople should be able to provide testimonials for you to view as proof of their previous sales and service levels achieved with their satisfied customers.

Enthusiasm plays a big part to as a motivated, organised person with "less runs on the board" may be more effective than someone with 15 years of experience doing very little.



How many sales consultants are there in the company?

Rural buyers often look at multiple properties over a wide area before deciding on a property to purchase. For the best results, ensure that the company you choose to work with has a strong network of rural sales consultants and specialists throughout the country that can refer more potential buyers to your property.

What market share does the company have?

Look at how many properties the company has sold, both locally and nationally, in comparison to its competition. This information will provide some measure as to how effective the company and its sales consultants are in converting words into action and how efficiently and quickly they can sell your farm.



An Auction is a transparent method of sale that has potential to generate real competition between purchasers.



What are the most common sale methods used to sell farms?

Auction

An Auction is a transparent method of sale that has potential to generate real competition between purchasers.

Selling by Auction places a timeframe around the sales process (typically 4-6 weeks), giving buyers a set date to work their due diligence to. The seller determines the terms and conditions of sale including the settlement date under which the property is to be sold.

When a property is sold at Auction, the sale is unconditional with a 10% deposit paid on the day.

Tender

Selling by tender places a timeframe around the process (typically 4-6 weeks), giving buyers a set date to work their due diligence to. After closing, tenders can remain open for a pre-determined timeframe allowing the owner to consider offers under less time pressure.

While the owner sets out the terms and conditions in the tender document, it does allow buyers to add conditions to their offer. Tenders are useful on complex sales that may involve various parcels of land and therefore multiple options.

Offers Closing Date or Deadline Sale Treaty

Selling by offers closing date or deadline sale is a less formal process than with a tender with no pre-determined timeframe for offers to stay open after closing.

These sales methods have a similar timeframe structure to a tender, however offers can potentially be considered by the seller at any time.

Fixed Price

By placing a fixed price on the property, buyers are able to make conditional and unconditional offers at any time with no time pressure on sellers or purchasers. This is a benefit to potential buyers as they can see the sellers expectations from the outset.

Determining the correct pricing of the property from the outset is critical during this process to avoid the property becoming stale or selling for a low amount.



Agency Agreements, Sole Agency vs General Agency

The rural sales consultant you choose to sell your farm will ask you to sign an agency agreement. An agency agreement is a legally binding contract and there are two options to choose from when selling, a Sole Agency Agreement or a General Agency Agreement. The key differences between these two are:

Sole Agency

A Sole Agency Agreement is where you contract one company to manage the sale of your property. The appointed salesperson/company will deal with the complete sale process including marketing, property inspections, and liaising with your lawyer and accountant to put together the Sale & Purchase Agreement (or tender documents or Auction documents). They will also keep you informed of progress with regular updates, negotiate with buyers on your behalf and follow the transaction through to sale and settlement.

General Agency

A General Agency Agreement gives more than one real estate company the right to market your property and you will be asked to sign an agreement with each different company. This agreement leads to various companies and salespeople completing the various activities described above and can dilute the responsibility and accountability of the sales process.

Under a Sole Agency Agreement one salesperson/company will be fully responsible for your property and accountable to you to ensure the process is handled as professionally as possible. You will have one point of contact to keep you informed of progress rather than multiple contacts if you sign a General Agency Agreement.



How should I prepare my farm for sale?

You never get a second chance to make a first impression, so giving attention to a few minor details on the farm could make all the difference to prospective purchasers come sale time. Here are a few general guidelines on what you can do to prepare your farm for sale.



Be careful how much you spend on preparing your farm for sale, as some things may not add enough value as others.

Make sure you don't overspend

Be careful how much you spend on preparing your farm for sale, as some things may not add enough value as others. Put together a priority list and only do the top few things that will increase the value with little effort and budget. Your sales consultant should be able to guide you through this process and point out the 'quick wins' that will make a difference come sale time.

Key items to give attention to are ensuring all fences are in good condition and not needing repair, all farm facilities and implement sheds are tidy and in working order, and all paddocks are tidy and mown.

Determine how much time you have

The lead time before the property is to be on the market will dictate what is practical to do; e.g. metaling and grading the front drive might only take an afternoon whereas painting the farm buildings is a longer project.

Get someone else to take a look

If you have lived on the property for a long time, have someone else have a look around as sometimes familiarity stops us seeing things others may see straight away. Ideally this would be your sales consultant whose experience may spot things; however, any trusted set of fresh eyes is better than none.

Marketing – what do I need?

When you are at the point of signing a sale and purchase agreement to sell your farm you need to be confident that you have done all reasonable things to ensure that everybody that could be a potential buyer knew your farm was for sale. One way of doing this is to ensure your property is adequately marketed.

The amount and breadth of such a campaign will depend on the type and size of the property however, there are some key components you need to ensure are part of any successful marketing campaign.

Sales Consultant Networks and Contacts

Sales consultants and real estate companies have access to multiple databases of prospective buyers and contacts and will promote your property to these contacts as part of your marketing package. As these contacts have engaged with the company before, they are more likely to show interest in your property if it is something that meets their search requirements.

Print Advertising

You should ensure that you have adequate exposure in both local and national publications appropriate to your farm type. Many people still prefer to look through newspapers and property publications when looking to buy a property and by using this medium, it guarantees more visibility on your farm.

Signage

Good signage ensures everybody driving past knows your property is for sale and makes your property easier to find for those potential buyers visiting from outside of your area.



Digital Marketing

Buyers are using the internet to source information on properties more than ever before, and online advertising now forms an important part of any rural marketing strategy. Placing your property on websites, social media and in email has the potential to reach thousands of potential buyers around the world. Here are some good examples of how the internet can be used to help sell your farm:

Property websites like nzfarms.co.nz, pb.co.nz and nzrealtors.co.nz have hundreds of thousands of views every month allowing viewers to access vital information about a farm including photography, maps and video and drone footage.

Social media platforms such as Facebook, YouTube and Twitter have over 2 million active users in NZ. This is a great way to showcase your property to a wider audience. Cost effective advertising allows you to target people most likely to be interested in your property.

Online advertising across internet sites such as metsservice.co.nz/rural or stuff.co.nz is a fantastic way of putting your property in front of key target markets.

Search engine advertising can list your farm on Google when people search for key terms like 'buy Wairarapa farm'.

Email marketing campaigns featuring your property are sent out by salespeople to their vast networks.



Who else should I talk to?

As well as working with your chosen real estate company and lead sales consultant, you may need to talk to other key advisors and professionals to discuss certain aspects of your sales plan. Here are some key questions for these people.

Lawyers

Are there any loose ends from previous and/or family transactions or titles that need to be tidied up before sale?

Accountants

Would a certain settlement date be more tax effective for me?

Rural Bankers

Would a particular settlement date be beneficial to avoid fixed rate loan penalties?

Farm Consultants

What can I do to make the process smoother at settlement? E.g. supplementary feed to be left on the farm and herd drying off dates.

Valuation and/or Forestry Consultants

Are there any assets or forestry blocks within the farm business that need to be valued before sale? Your accountant will also be able to advise on this.

Stock Agents

Are there certain timings to consider with the sale of capital stock?

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**The Property Brokers
and Farmlands
partnership means
great things for
provincial real estate.**

**Together, our combined
strengths complement
each other to create
more opportunity for
our customers across
New Zealand.**

No one knows regional real estate like Property Brokers

In little over 30 years, we've built our family business into a company that stretches the length of New Zealand, and we've built it the provincial way; through hard work, discipline, friendships and a powerful sense of family.

As the market leader in most of the areas we operate, the partnership allows us to offer our cutting-edge skills in property sales and marketing to new towns, cities and regions.

No one knows the land like Farmlands

The Farmlands brand is synonymous with rural New Zealand.

With 70,000 shareholders, their understanding and knowledge of the land and farming systems is unrivalled.

Farmlands data and networks combined with Property Brokers' real estate skill will allow our customers to make much more informed property decisions.

How our partnership benefits you

- Farmlands promotional channel with 82 stores and a rural audience of over 70,000
- Alongside your Property Brokers Rural Sales Team, Farmlands has a large field force that works to bring your property to the attention of shareholders
- Access to specialist advice from Technical Field Officers regarding all aspects of farm performance
- Preferential commission rates only for shareholders



For all your property needs,
please call 0800 367 5263

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