Information sheet

on our real estate brokerage service

01 Why should a lawyer handle the brokerage work?

It is common knowledge today that the involvement of a lawyer is indispensable in the sale of real estate, since a sale and purchase agreement has to be drafted and a land registry procedure has to be conducted in every case. Beyond that involvement, the Act on legal practice also entitles lawyers to carry out real estate brokerage activity. It does so on the consideration that lawyers possess the knowledge of the property market that brokerage activity requires, and that they also have the legal expertise needed to complete property transactions.

Lawyers acquire the rules of real estate law and contract law during their university studies, and they have deepened that theoretical knowledge with practical experience over many years and across numerous property matters, experience you can also rely on when selling or buying a property.

Every lawyer is a member of the bar association supervising their practice, and is required to maintain professional liability insurance continuously in respect of their activity, including real estate brokerage.

Lawyers are obliged to comply with the ethical and conduct rules set out in the regulations of the bar association in the course of their real estate brokerage activity as well.

In our work we are obliged to verify and identify, with full responsibility, the details of properties, their owners and the contracting parties alike.

Although we carry out real estate brokerage with a law degree and professional liability insurance, our fees are not higher than market prices; in many cases they are more favorable than the levels applied by our competitors, and they are always based on the agreement of the parties.

02 What the service covers

Our law firm provides its real estate brokerage service on the following terms:

- examining and evaluating the legal status of the property (identifying whether there is any obstacle or difficulty to the sale);
- assessing the Client's requirements in relation to the sale;

- developing a legal structure for the sale transaction that is acceptable to the Client;
- having the value of the property appraised by a valuation expert (giving the Client relevant information about the value of their property);
- a legal opinion on the current situation of the property market;
- setting the listing price, taking all of the above into account together;
- recording the parameters of the property in detail;
- taking photographs;
- professional drafting of the text of the listing;
- assistance in obtaining the energy performance certificate;
- placing listings on numerous platforms and monitoring and keeping them up to date continuously;
- forwarding the listing to potential buyers among our client base;
- keeping in contact with interested parties in Hungarian, English, Russian and Ukrainian;
- showing the property to interested parties in person at a pre-arranged time, with detailed and professional information;
- where an interested party is serious, discussing the possible legal structure already during the personal viewing, while clarifying the essential terms (in our experience this is a highly critical point in the transaction, since besides agreeing on the purchase price the parties have to agree on numerous other terms, which are worth clarifying at this stage);
- drafting the documents required for making purchase offers;
- evaluating the purchase offers received;
- reviewing the sale and purchase agreement (where it is not drafted by our Firm);
- for the buyer, we can provide a fellow lawyer at a preferential fee to draft the sale and purchase agreement and to conduct the land registry procedure, making the transaction even more attractive;
- monitoring the performance of the concluded sale and purchase agreement (keeping in contact with the drafting lawyer and the parties).

From the above it can be seen that in the listing and sales process our Firm takes over the administration entirely on the Client's behalf.

03 Fees

Our Firm carries out its brokerage activity on the basis of an exclusive mandate; accordingly, the brokerage activity is performed solely by our Firm. It is this structure that makes it possible to ensure that

- our Firm performs the brokerage activity at the lowest possible fee for the Client (fees for non-exclusive mandates are considerably higher, since there is no guarantee that the broker will receive a fee at the end of the sales process);
- the sale takes place at the highest possible purchase price (with a non-exclusive mandate the broker's only aim is to sell the property as soon as possible to a buyer they have introduced, because there is a risk that a buyer introduced by someone else will purchase the property and the broker will lose the fee);
- the broker's motivation is as high as possible (with non-exclusive mandates there is no guarantee that the broker will receive a fee at the end of the sales process, so they are not willing to invest too much energy in the sale either);
- no disputes arise with other brokers (if several brokers have introduced the property to the same interested party and that party buys it, every broker will claim the fee).

On the basis of the exclusive mandate, our Firm is entitled to the brokerage fee upon the sale of the property (the signing of the sale and purchase agreement); the fee is the subject of an individual agreement.

04 Other provisions

The further detailed terms of the brokerage mandate are set out in the brokerage agreement.

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