

UNDERQUOTING CRACKDOWN TO BOOST CONFIDENCE FOR HOMEBUYERS

Saturday 7 March 2015

NSW Premier Mike Baird and Minister for Fair Trading Matthew Mason-Cox today announced a re-elected Baird Government will crack down on underquoting by real estate agents in the property market.

Mr Baird made the announcement in Schofields and said the reforms are the biggest crackdown on real estate underquoting in over a decade.

"The reforms will improve confidence among homebuyers and close any loopholes that agents may be exploiting," Mr Baird said.

"Under the new laws, it will be illegal for agents to advertise a property for less than the selling price they have outlined in their agreement with the vendor.

"We want to create a fairer system for potential buyers who are prepared to spend money on building and pest inspection reports believing the property is in their price range.

"Agents caught underquoting already face fines of \$22,000. Under the new laws, they will also lose all fees and commissions made from the sale.

"Buying a property is one of the biggest purchases many people will make, which is why we're taking extra steps to ensure homebuyers have a fair marketplace.

"Underquoting cheats potential homebuyers and undermines the integrity of the real estate industry and we want to send a clear message to rogue real estate agents that it won't be tolerated."

Mr Mason-Cox said changes will be made to legislation to clear up the confusion around what constitutes underquoting.

"The laws will be changed to recognise underquoting has occurred if the advertised selling price of a property is less than the price indicated in the agent's agreement with the vendor," he said.

"The new laws will also focus on advertising and will require all property advertisements to specify a dollar price or price range as opposed to 'offers over' to give potential buyers a better idea of the real market value of the property.

“We’ll also protect vendors from agents who misrepresent a property’s potential selling price in return for the listing.

“All too often we hear about agents promising vendors a selling price they’re unlikely to ever achieve to secure their listing before pressuring them to agree to a lower price once the property sells.

“In a move to offer greater protection to vendors, agents will need to substantiate what they believe a property may be worth by providing a vendor with comparable selling price data for similar properties.”

As part of the proposed measures, NSW Fair Trading will set up a hotline to receive complaints and tip-offs from the public.

In the meantime, complaints can be made by calling 13 32 20 or the NSW Fair Trading website www.fairtrading.nsw.gov.au

Mike Baird MP
Premier of NSW
Minister for Infrastructure
Minister for Western Sydney

Need to know more? What are the current legislation? What are the current proposed bills?

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