

Compton Green

AN OPEN LETTER FROM ADRIAN BUTERA, MANAGING DIRECTOR OF COMPTON GREEN TO THE COMMUNITY: QUOTING PROPERTY WITH INTEGRITY

The real estate industry has been under intense scrutiny of late with regard to the practice of deliberate underquoting of residential property, and rightly so.

Intentional underquoting is not only unethical, it is also illegal. And it needs to stop. Unfortunately some misleading behaviour from a few members of the real estate community have tainted the way many people view the broader industry.

New Victorian laws aimed at curbing underquoting by some real estate agents have been passed. All agents are expected to be fully compliant by 1 May 2017. At Compton Green, we're already fully compliant. For us, it's business, with integrity and transparency as usual, but I felt it was important to address this issue openly for two reasons.

Firstly, I believe that more transparency on this issue is required. When it comes to quoting property prices, everyone should know where they stand. And every agent should quote with integrity. Secondly, there are so very many real estate businesses doing the right thing, including my own, and a more public definition of what underquoting actually is will help buyers and sellers better understand the issue.

So what is underquoting? Underquoting is deliberately misleading. It happens when a property is advertised or quoted at a price that is lower than either: the seller's asking price or auction reserve price; the agent's estimate of the selling price; or a genuine written offer. Underquoting is banned in the Victorian real estate industry and the consequences for agents not adhering to the legislation are severe.

What are the new laws? Agents are now required to provide potential buyers with a statement of information outlining an estimated price range, three recent comparable sales, and the median price for the suburb. The new laws also ban advertising price ranges of more than 10 per cent and require advertising to be promptly revised if the estimated price, or range, changes due to circumstances such as a seller rejecting a higher written offer to purchase the property. They also provide more clarity around appropriate language for agents to use when quoting a property.

You can read more about underquoting, your rights, and the new legislation on the Consumer Affairs Victoria website www.consumer.vic.gov.au and at www.comptongreen.com.au.

At Compton Green, quoting with integrity is second nature to us. We're committed to going above and beyond mere compliance with the legislation. We're striving towards real estate best practice in this area to ensure we're leading the way.

Yours sincerely

Adrian Butera