

" Trust me... ... I'm an Estate Agent ! "

We are all aware of the reputation that Estate Agents have achieved particularly in the past where they would do anything to sell a house. With the housing market being as strong as it is now you would think that these important cogs in the home buying/selling process would not need to resort to "scam tactics".

However the Office of Fair Trading and the Consumers Association have recently been amazed by rogue estate agents misleading prospective clients, both buyers and sellers.



The following are just some of the practices which the Office of Fair Trading has found happening right under our noses.

OFFERING FINANCIAL ADVICE

Agents not passing on property details until a buyer agrees to see their "in-house" financial adviser, who then proceeds to try and sell all manner of products like endowment policies or insurance.

BOGUS BOARDS

Where agents put "For Sale" and "Sold" boards up at properties where they have had no involvement, sometimes properties that aren't even on the market. Obviously this generates enquiries, only for the prospective buyer to be told the property is no longer on the market, however: "we do have"

RING-FENCING

Particularly nasty - the agent accepts a bribe from a buyer to secure their offers. The agent will offer exclusivity on new properties for a modest fee, not showing them to anyone else and ensuring that the seller only receives the paying buyers offer.

DODGY VALUATIONS

Flattery will get you everywhere - the estate agent values a sellers property over the market value to get the property on the books - it won't sell at this price and after weeks of wasting time it is reduced to a more realistic price.

Or the property is undervalued to ensure a quick sale and increase rapid turnover.

PHANTOM BUYERS

An agent pretends to be a prospective buyer in order to gain access to a property.

PREFERRED BUYERS

The buyer is told that if they instruct the same agent to sell their home as they are using to buy, they will be added to a "preferred list" and get to see the best properties for sale first. If they don't instruct the agent they won't, therefore missing out on the best properties.

SIGN ON THE DOTTED LINE ...

Agents mislead sellers into signing contracts before being able to act on their behalf. This is not a regulatory requirement and the law does not require it.

PERSONAL INTEREST

The agent either wants to buy the house himself or knows a developer who will. He may value the property at under its worth then buy it himself and sell it on. Legally they should tell all parties that they or someone they know have a personal interest in the property.

SOLD FOR HOW MUCH?

A sold for price is advertised in a bid to entice people to put their property on the market with that agent, under the impression that this person will "...get me a good price for my property".

PHANTOM OFFERS

Buyers are persuaded to up their offer by phantom "other offers". This may happen when a buyer offers the asking price and the agent realises that he has priced the property too low.

PTO. For further comments ...

Estate Agents are obliged to treat all potential purchasers equally as to not do so would be discrimination, Estate Agents (Undesirable Practices) Order 1991. Therefore there should be no preferential treatment, no payment should change hands in order for offers to be made or houses to be viewed, *all* offers made should be passed on to the seller (in writing).

So if you are asked to stump up cash to the agent or told that your offer won't be put in until you see their financial adviser, they are pulling the wool over your eyes and taking you for a ride.

Look out for agents that embellish their details, a practice forbidden under the Property Misdescriptions Act.

A prime example of this would be the agent recently featured in the national press who took a misleading photograph of a property for the sales particulars. It appeared to be a detached property in a secluded plot with not a neighbouring house in sight. In actual fact it is at the end of a cul-de-sac amidst modern terrace and semi-detached properties and the picture would have had to have been taken from a very awkward angle to obtain this view.



What should be remembered is that anyone can be an estate agent, it is normal for an estate agent to have no qualifications (how many old estate agents do you see?) and they could have been standing at a bus stop yesterday!



We are not, of course, saying that all Estate Agents are con artists or looking to pull a scam. The Consumers Association recommends that you use an agent who is part of the Ombudsman for Estate Agents. If you do this it's easier for you to make a complaint and obtain compensation if you lose out due to poor service.

Another idea is to use a member of one of the professional associations, for example the Royal Institution of Chartered Surveyors who require examinations to be passed and proof of experience (R.I.C.S.) or the National Association of Estate Agents who require experience (N.A.E.A.).

Both the Office of Fair Trading and the Consumers Association recommend that you should shop around, negotiate commissions or set fees and be sure to question how they intend to market your property and what they include in the agreement.

You should remember if you are a buyer that the estate agent actually represents the seller. If you want someone to represent you when you are buying a house you should employ the services of a Chartered Surveyor who can carry out a Homebuyers Report or Building Survey on the property to ensure it is sound. If you rely on the valuation, which again is not for your benefit but the lenders, you could find yourself buying a property with problems. We have enclosed a leaflet detailing the different types of survey available.

IF YOU HAVE FOUND THIS GUIDE USEFUL PLEASE FEEL FREE TO
CALL US FOR MORE HELP

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