

Protect yourself from underquoting

From 1 January 2016, new underquoting laws start in NSW. Underquoting is when an agent gives a buyer a property price lower than the agent's estimated selling price in the sales agreement (the agent's written contract with the seller).

Checklist for property buyers

What to DO

Before you spend money on buying a property:

- Know the highest price you are prepared to pay
- Consider related and ongoing costs, not just the property selling price
- If the agent provides an estimated selling price, use it as a guide only
- Research recent sale prices for similar properties in the area
- Visit different properties and auctions to see how the property market works

What NOT to do

- Don't rely on prices that seem too good to be true
- Don't rely on one person's judgement – talk to other buyers and licensed property professionals and do your own research

Preventing underquoting – rules for agents

Underquoting is illegal. This can cause buyers to waste time and money preparing to buy a property they cannot afford. From 1 January 2016, real estate agents in NSW must:

- base their estimated selling price on all relevant evidence such as recent sale prices for similar property
- not use vague price statements such as 'offers over', 'offers above' or '+' an amount
- keep a record of prices quoted for a property.

If a real estate agent's estimated selling price changes because of new evidence, the agent must:

- update the estimated selling price in the sales agreement
- update all advertising and marketing information materials.

When real estate agents are inspected by Fair Trading officers they must provide appropriate documentation to show they have complied with the laws.

Before the new laws start, agents will be able to access the full underquoting guidelines at www.fairtrading.nsw.gov.au

Is a higher sales price proof of underquoting?

A sale amount higher than the estimated selling price is not proof of an agent underquoting. It could be due to strong competition between buyers that an agent could not have predicted.

Complaints

Report underquoting if you think an agent has broken the laws. 'Lodge a complaint' on our website or call us.

www.fairtrading.nsw.gov.au Enquiries: 13 32 20

Language assistance: 13 14 50 (*ask for an interpreter in your language*)

Indigenous: 1800 500 330 TTY: 1300 723 404 for hearing impaired
