

Training Newsletter

Underquoting Laws To Be Strengthened

When an agent understates the estimated selling price of a property, this is known as underquoting. This can waste the time and money of potential buyers as they inspect properties, obtain reports and attend auctions.

To help combat this and to protect consumers, the NSW Government is introducing reforms that address underquoting in the NSW property market to provide clarity for buyers, agents and vendors. The aim of these reforms is to prevent properties from being marketed at prices less than the agent's true estimated selling price. Agents who breach these requirements will be prosecuted.

Under the proposed reforms an agent must:-

- Include their true estimate of a property's selling price in the agency agreement
- Record the evidence that informed this estimate and provide it to the vendor in writing
- Ensure a price range is no greater than 10% of the bottom figure
- Record all price estimates (quotes) provided whilst a

- property is marketed
- Ensure the price estimated remains realistic

The reforms are currently before the NSW Parliament and are expected to commence in early 2016.



New Real Estate Division To Work With Industry

A new real estate division has been created within NSW Fair Trading. The Real Estate and Property Division will take responsibility for all real estate and property functions, including industry regulation.

The division will also conduct random audits to ensure industry compliance on matters including licensing, trust account management and underquoting.



Tourist Hot-spots Outshine Mining Town Rents

New Residential Tenancies Authority bond data shows that median weekly rents continue to fall in QLD mining centres



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Natural Disasters

Australian summers come hand in hand with bush-fires and other natural disasters. If you need to complete your CPD, try our CPD course Natural Disasters and Asbestos for Property Managers. The course covers what to do when a natural disaster causes damage to tenanted property. [Read more.](#)

rising. In 2013 the median rent for a 3 bedroom house in Gladstone was \$480 per week. By the June quarter of 2015 this had fallen to \$300 per week. Meanwhile in holiday locations like the Sunshine Coast, median rents for 3 bedrooomed houses have increased from \$380 per week in 2013 to \$420 per week in June 2015.

Public Feedback Sought on Off the Plan Sunset Clauses

Sunset clauses are usually contained in contracts for buying land or strata units off the plan. They allow either the buyer or the developer to rescind a contract after a certain date, usually in the event that construction is not finished on schedule. However, some NSW consumers have reportedly had their contracts rescinded by a developer using the sunset clause, only for the land or apartment to be re-sold the same day for a higher price.

The Minister for Innovation and Better Regulation Victor Dominello stated "There is growing concern about the way sunset clauses are being used to rescind off the plan contracts." He said the NSW Government was considering reforms to

the Conveyancing Act 1919 including:

- Allowing only the purchaser to rescind off the plan contracts; and
- Requiring a vendor who terminates a contract under a sunset clause, and resells the same unit, to pay damages to the purchaser equal to the difference on the sale price between the two contracts.

To understand the extent of the problem, Land and Property Information (LPI) and NSW Fair Trading have commenced a public consultation. [Read more.](#)

Agent Makes Up False Invoices

A QLD real estate agent who produced false invoices to help justify claims that a tenant had damaged rental properties, has been barred from the real estate industry for 7 years. QCAT member Bevan Hughes ruled that her conduct "undermined the integrity of the industry and the confidence of the community".

A fine of \$10K was imposed as well as the 7 year ban. [Read more.](#)

Illawarra Agent Sentenced For Trust Account Fraud

The director of a Warilla real estate agency has been sentenced to two years in prison after defrauding her clients of \$789,000. Megan Harrod of Illawarra pleaded guilty in 2013 to fraudulently converting money from the company's rent and sales trust accounts, hiding it through falsified book keeping records. The court heard Ms Harrod appeared to be suffering from a gambling problem.

Fair Trading Commissioner, Rod Stow, said the consumer protection agency would continue to crack down on real estate agents who commit serious fraud.

[Read more.](#)



Unlicensed Real Estate Agent Convicted

An unlicensed ACT real estate agent has been charged and convicted following an investigation by the Office of Regulatory services. Mr Neale Emanuel had been acting as an unlicensed agent since 2006 and had made false and misleading representations to tenants and lessors.

"The law provides consumers with a range of protections which cannot be applied if you deal with an unlicensed agent", said Mr Snowden, ACT Commissioner for Fair Trading.

You can search the public register for real estate agents and salespeople at www.ors.act.gov.au

