

THE Daily Telegraph

Real estate agents' quoting scam

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UNDER-QUOTING of likely auction prices is rife in Sydney with some agents brazenly stating values as low as half the final selling figure.

A *Saturday Daily Telegraph* investigation into property sales in the past month has revealed agents are flouting laws meant to stop underquoting as the market takes off again in parts of the city.

And we want to know your experiences. Tell us via the feedback form below - although we may not be able to publish all.

Most underquoting is verbal and difficult to prove – but this newspaper found at least 20 examples of properties for which final sale prices were more than 20 per cent above published estimates.

In the worst case, a unit with beach views at Ramsgate Ave, Bondi Beach, was advertised as "more than \$800,000" but it later sold for \$1.6 million – up 100 per cent on its marketed minimum.

Asked about the going price yesterday, selling agent Danny Doff said he "honestly thought" the one bedroom apartment was worth between \$800,000 and \$1 million.

But he did admit that the price he put on the agency agreement was significantly above that marketed. In another case, a property in Oxford St, Woollahra, was also marketed at "more than \$800,000". It was sold at auction for \$1.475 million.

Tony Moses, of selling agency Century 21 Bondi Junction, said: "Two people really wanted it."

Neither sale is being investigated by the Department of Fair Trading, but the selling margins on both – 100 per cent and 84.4 per cent – easily outstrip the margin that led to the conviction of Lane Cove real estate agent Sandra Peach in early 2005.

Ms Peach, fined \$9900 and \$4400, is the only agent to be convicted of underquoting since it became an offence under the Property, Stock and Business Agents Act.

Ms Peach had quoted prospective buyers prices between \$1.1 million and \$1.4 million while the final price was \$1.535 million – an underquote of between 9.6 per cent and 39.5 per cent.

An Office of Fair Trading spokesman said they had received only 16 complaints for underquoting since the laws were introduced in 2003.

In other parts of Sydney there is also evidence of underquoting.

At Epping, a property in Epping Ave was advertised as "over \$1.325 million" but sold for \$1.785 million.

Underquoting is not only illegal it is frustrating for buyers who can spend thousands on searches and inspections for properties they can never afford.

One victim, Lorraine Delprado, 56, of Killara, spent money on searches and inspected a unit in Kirribilli after seeing the property marketed for \$300,000 on a website. The unit fetched \$500,000 at auction.

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