

The Daily Telegraph



Buyers beware, home grants cut

- By Vikki Camplon Urban Affairs Reporter
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Buyers are about to lose part of the first home buyer's grant ... the Niland family have been looking to purchase a house. Joshua and Clarissa Niland with Catherine 4 and William 2. Pic: Adam Ward
Source: The Daily Telegraph

THE housing market is preparing for a 250 per cent increase in listings today as 700 property owners take advantage of the first home buyers grant before it is reduced.

But buyers beware as property experts warn of real estate agents regularly underquoting property prices as vendors race to beat the roll-back of the \$14,000 bonus.

A loophole allows agents to quote a property's price at the low end of a large range, irritating potential buyers and leaving them out of pocket.

PK Property state manager Robert Skeen said underquoting was rife at hundreds of auctions every weekend.

"Underquoting is prolific. The whole auction is based on getting as many people as possible," he said.

"The more people, the more hype and the higher price it gets."

Real Estate Buyer's Agents Association president Byron Rose said unsuspecting buyers were sick of wasting money conducting due diligence on properties that they never had a realistic chance of buying.

"The agent quotes \$850,000 that we know already is a \$950,000 to \$1 million [property]," he said.

"Is that an underquote? In the general public it will be.

"But for those in the industry well, no. Agents should be able to give selling estimates within a range of 2-3 per cent."

Real Estate Institute president Steve Martin said that agents cannot stop underquoting.

"Underquoting is when a property has been passed in at a higher figure than has been indicated by the agent. There have been people make comment about prices indicated, and sold in excess of that, but an agent cannot stop that occurring," he said.

Clarissa Niland missed out at two auctions and on one private sale in the past six weeks- the price of all three properties was \$100,000 more than she was originally quoted.

She had spent thousands on building and pest reports.

"The price should be disclosed, it's like going shopping but its all hush hush and they can't tell you the price," she said. "It's disappointing. It's basic honesty. If it runs over \$100,000 more than the bank has valued it at, then you can run into trouble with the bank."

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