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Thursday, 18<sup>th</sup> February 2010

### **A FAIR MARKET FOR HOME BUYERS AND SELLERS**

The real estate industry continues to show a high level of compliance with the laws introduced eighteen months ago to improve protections for home buyers and sellers.

Enforcement officers from the Office of Consumer and Business Affairs (OCBA) have scrutinised 80 open inspections, auctions and also sales files to check that agents are following the correct processes.

While 19 breaches were found and are being addressed, the potential consumer detriment in all cases has been small, highlighting that the laws have made a significant difference to the way that real estate transactions are handled in South Australia.

Minister for Consumer Affairs Gail Gago says “Home buyers and sellers can have confidence that the real estate sales process is now very transparent and it’s great to see that the vast majority of agents are complying with the law.”

“Concerning practices such as dummy bidding at auctions, over-quoting to sellers to secure a listing, or under-quoting to buyers to attract their interest have largely been dealt with. What we have now is a fair real estate market that benefits both buyers and sellers.”

The monitoring found no problems at all with auctions, and the warning letters in respect of the 19 breaches related to:

- Sales representatives failing to carry a registration card;
- Not providing the required information notice to prospective buyers;
- Advertisements not including the agent’s registration number;
- Incomplete information in sales agency agreements; and
- Not having procedures in place for the handling of trust money.

“The real estate agents and sales representatives that fell short of the legal requirements have been issued with formal warnings, but any repeat offenders risk disciplinary action and in some cases fines of up to \$20,000,” says Minister Gago.

Monitoring of the real estate industry will continue during 2010 to ensure fair trading.

To report any concerns about the conduct by a real estate agent or sales representative consumers should contact OCBA on 8204 9777, or 131 882 for country callers. Comprehensive advice for home buyers and sellers is available on the OCBA website at [www.ocba.sa.gov.au](http://www.ocba.sa.gov.au)