

Friday, 11 July 2008

NEW PROTECTIONS FOR HOME BUYERS AND SELLERS LAUNCHED TODAY

Minister for Consumer Affairs, Jennifer Rankine, will today launch a range of materials to help inform South Australians about substantial changes to the way homes can be bought and sold from the 28th of July this year.

Minister Rankine said, "These laws are designed to increase transparency of the real estate sale process which will ultimately benefit all South Australians looking to buy or sell a home.

"The reality is that buying a home can be a daunting task and is often the single biggest financial investment most of us will make in a lifetime. Our aim is to reduce the level of stress and uneasiness associated with this by providing people with all the information they need and the questions they should be asking before engaging any agent."

"The industry has been involved in the development of these laws since an inquiry into various practices in the real estate industry was instigated six years ago. I am pleased that the new laws will commence later this month and that the majority of agents are supportive of laws that will engender greater confidence in this crucial industry."

Benefits of the new laws include:

- Over-quoting to secure property listings will be a thing of the past
- All agents, sales representatives and auctioneers must meet qualification requirements and be registered with the Office of Consumer and Business Affairs (OCBA).
- Dummy bids will be prohibited and records will be kept of legitimate bids lodged during an auction
- Agents can no longer advertise a property at a price well below its true value.
- More certainty for consumers when it comes to the terms and conditions included in a sales agency agreement.
- Anyone intending to bid must provide identification and register on the bidder's register.
- As is the case with most other auctions, registered bidders will be given identification that they will need to display every time they make a bid.
- An auctioneer can make no more than three vendor bids - these bids must not be above the reserve price and they must be audibly announced as vendor bids.

Significant penalties have been introduced for breaches of the legislation, including a range of expiable offences and fines of up to \$20,000.

"It's important people understand that some things will change as a result of the new laws, the Government is keen to ensure South Australians are fully informed," Ms Rankine said.

Information about the reforms and important advice for home-buyers and sellers is available on the OCBA website and also in a new booklet entitled 'It's about the house'. A new brochure has also been developed specifically for first home-buyers. There will be extensive promotion across a range of media including print, radio and online, with advertising and information material also available in a range of languages.

“As the new laws take effect, compliance officers from Consumer Affairs will be attending weekend auctions to ensure that the new processes are being adhered to and will closely monitor the impact of the new laws over the next 6 months,” Ms Rankine said.

Further information about the new real estate laws is available from www.ocba.sa.gov.au or by phoning OCBA on 8204 9777. The new information resources are available at the OCBA website, or by phoning 8204 9516 to request a booklet.