

What you need to know about the new underquoting reforms in NSW

NSW property buyers and sellers will have more clarity on property prices with new underquoting laws that came into effect on **1 January 2016**.

Under the new laws (which amend the Property Stock and Business Agents Act 2002) real estate agents must now quote residential property price ranges within 10% of the lowest figure (e.g. \$600,000 – \$650,000).

Agents can be fined up to \$22,000 and may lose their commission on a sale of an underquoted property.

Other key reforms in the new laws for agents include:

- Requirement to list the likely selling price in their sales agreement with the seller;
- Requirement to update estimated selling prices as the market changes and to keep records of the price guide quoted to potential buyers;
- No longer being able to use terms such as “offers above,” “offers over” or “plus” when quoting a price range.

The reforms aim to reduce the time and money buyers spend on property inspections and reports when they do not have a realistic chance of buying the property and managing sellers’ expectations of sales prices.

These reforms also clarify to agents what is acceptable practice so that it is no longer ambiguous.

Although it will mean more record keeping for agents, the positive is that it will make it a level playing field amongst agents and weed out rogue agents retaining clients by over quoting.

For further information please contact lawlab by calling **1800 529 522** or by emailing **conveyancing@lawlab.com.au**



CHRISTINA

Christina Cassidy
Senior Legal Advisor

 0499 223 140

 c.cassidy@lawlab.com.au

