

PhilipWebb



New Quoting Guidelines

When it comes to quoting property prices, everyone should know where they stand

Buying a home is probably one of life's biggest financial decisions. At PhilipWebb, we get that. It's a big deal. Sellers want to sell high, buyers want to buy low. Our job is to facilitate this seamlessly, with honesty, integrity and excellent communication. This begins with transparency in quoting property prices. Always. That's how we've always operated, and it's how we always will.

New Victorian laws aimed at curbing underquoting by some real estate agents in the sale of residential properties were passed in November 2016. All agents are expected to be fully compliant with these laws from 1 May 2017.

What is underquoting?

Underquoting is the very opposite of quoting with integrity. It is deliberately misleading. It happens when a property is advertised or quoted to a prospective buyer at a price that is lower than either: the seller's asking price or auction reserve price; the agent's estimate of the selling price; or a genuine written offer. Underquoting is banned in the Victorian real estate industry and the consequences for agents not adhering to the legislation are severe. You can read more about underquoting at www.consumer.vic.gov.au.

What are the new laws?

Agents are now required to provide potential buyers with a statement of information outlining an estimated price range, three recent comparable sales, and the median price for the suburb. The new laws also ban advertising price ranges of more than 10 per cent and require advertising to be promptly revised if the estimated price, or range, changes due to circumstances such as a seller rejecting a higher written offer to purchase the property. They also provide more clarity around appropriate language for agents to use when quoting a property.

Is it underquoting when houses sell for more than the estimated selling price/range?

Comparing the original advertised estimated selling range with the final sale price is not necessarily evidence of underquoting. Agents provide an estimated selling range based on three comparable properties sold, but cannot predict demand for the property throughout the sale process or on auction day. If demand for a property is high, it can drive the price beyond the initial estimated price or range. As long as an agent updates the estimated price or range as per the legislation requirements, they are not underquoting.

Quoting with integrity is second nature to us at PhilipWebb

When does the seller disclose their asking price to their agent?

The seller's asking price can be stated to their agent at any time, however many sellers elect not to do so until towards the end of the campaign, once they have a better idea of the interest in their property. In the vast majority of cases, the auction reserve price is not disclosed to the agent until auction day.

How do you determine which are comparable properties?

The properties must have been sold within the last six months and be within a two kilometre radius of the listed property. They must be of similar standard, condition and size to the listed property.

At PhilipWebb, adherence to the legislation has and always will be our priority. It comes naturally to us because we live and breathe our code of ethics and one of our core values is integrity. At PhilipWebb, we're good at what we do, but even more importantly, we're good people. We want happy sellers and happy buyers. Because behaving with integrity keeps everyone happy.

Transparent information: More than in line with the legislation, right in line with our values

We're committed to going above and beyond mere compliance with the legislation. We're striving towards real estate best practice in this area and to making continuous improvements to ensure we're leading the way. Over and above the legislation requirements, wherever possible, we'll provide as many comparable property sales as we can. The more transparency for buyers and sellers, the better.

Transparent language: No hidden meaning or pretext

You won't see words in our advertising, or hear words from us like "offers above" or "from" or "plus" when referring to an estimated price range. If you ask us a straight question, you'll get a straight answer. If you ask if there's a lot of interest in the property, or if a vendor is open to offers before auction, we'll tell you straight.

Transparent behaviour: Everyone knows where they stand

If circumstances change, such as a seller rejecting a written offer higher than the estimated selling price or price range, or the seller discloses their asking price to us, our advertising will be revised promptly to reflect the changes. Over and above the legislation requirements, we'll also notify every person who has inspected the property of the revised estimated price or range

For more information
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