

Dear Sirs

Please see below.

Representation of Property Sales

Property sales in Jersey are very much open to vendors and buyers changing their mind right up to the last minute. In this respect selling or buying a property is much the same as making any other purchase.

While there are good reasons to consider the issue of binding pre-sale agreements (such as in Scotland) there are equally good reasons not to impose such restrictions. However, this does leave these transactions open to gazumping or gazundering on the steps of the Royal Court.

However, most property sales in Jersey are conducted through estate agents and there is little or no regulation enacted to ensure that the agents adequately or ethically guide buyers and sellers.

Estate agents on the island do have a self-regulating association (the Jersey Estate Agents Association) but there is no requirement for agencies to be members and indeed the larger agencies are noted by their absence from the association. The local association which currently represents only about 50% of local agencies is affiliated to the National body cited below.

Furthermore, the barriers to entry to the estate agency business are very low. There is little capital requirement needed save the setting up of a website and there are no legally binding qualifications necessary, although these can be voluntarily obtained from the UK National Estate Agents Association. This is at odds with other professions where certification of competence is required. Given the value of the properties being sold this would appear to be a serious flaw. Moreover, these low barriers and potential high earnings attracts perhaps more unscrupulous salespeople whose main interest in property sales is maximising their commission. Such sales techniques can encourage gazumping and other poor ethical practices. This in itself leads to the generally acknowledged poor public perception of estate agents.

In order to place the profession on a better footing which would perhaps reduce the incidence of unwanted and undesirable practices, the following are suggested:

- That all estate agents should obtain a professional qualification in selling and letting of property;
- That all estate agencies should be required to be a member of a recognized self-regulating body;
- That all estates agents should, as in other professions, demonstrate continuous professional development skills.

This could be phased in over a year or two to enable existing agents to obtain the necessary recognition and qualifications.

Regards