

Le Rossignol Estates – 8th November 2021

The Panel notes that your business is not a member of the Jersey Estate Agents Association but is a member of the UK Propertymark and the Property Ombudsmen schemes. Do you feel that membership of these schemes by Jersey estate agents, would be enhanced if there was also estate-agent specific legislation in Jersey?

Yes, I think legislation is a necessity as in my opinion all estate agencies should be members of the UK Propertymark and the Property Ombudsmen schemes to ensure that conducting business under a code of conduct is adhered to which provides both buyers and sellers with a level of confidence and comfort that a redress scheme exists that deals with complaints about buying and selling residential property in the island.

The reason I have decided not to join the JEAA is because I see no current benefit to my business in doing so. I am a member of the UK Propertymark and the Property Ombudsmen schemes so already adhere to the code of conduct and redress scheme that the JEAA members do but the JEAA have done little to differentiate themselves in our local marketplace versus non members and despite their desire for regulation very little has been undertaken by them to move this forward until now. It is the Jersey Financial Services Commission who require all estate agencies to be registered as a Schedule 2 business so it is effectively them who rubber stamp the estate agency start up. More should have been done by the JEAA / our Government and legislators to ensure that barriers to entry are not exhaustive but that do require demonstrable experience and membership of the UK Propertymark and the Property Ombudsmen schemes at the very least until a Jersey relevant qualification is available as a course of study.

My personal opinion is that the call for this now by the JEAA is to stop new estate agencies entering the marketplace. Educating the consumer is key, it does appear to be very easy to start an estate agency with little or no experience, all prospective vendors and buyers in the island deserve peace of mind that all agents adhere to a code of conduct and that a redress scheme is available.

In the absence of estate-agent specific legislation, to what extent do you think that it is problematic for buyers and sellers in Jersey, that estate agents are not required to attain membership of a professional body or adhere to a code of conduct?

I do not think it is problematic to anyone until someone feels aggrieved and wishes to raise a complaint.

I do not feel that, generally speaking, buyers or sellers are aware of the existence of them specifically.

I do feel however that a vendor may assume there is a code of conduct or professional body that all agents are members of and adhere to and would be surprised to learn that the majority of agencies in the island are not members.

With regards to a buyer, in this market all they want to do is secure a property that they would like to buy regardless of whether it is being sold by an estate agency that is a JEAA member, or a member of the UK Propertymark and the Property Ombudsmen schemes, or an agency with no memberships or whether a vendor is trying to sell by themselves.

A 2019 Report produced by the UK Regulation of Property Agents: Working Group, concluded that "Regulation will provide the opportunity to prevent bad practice and drive cultural change within the industry". Do you believe that this statement could also apply to estate agents in Jersey?

It could and one would hope that regulation would reduce bad practice but I suspect that sharp practice by some will continue regardless.

Do you believe that the experience of transacting property in Jersey would improve if all staff working for an estate agent, were required to be appropriately qualified?

Yes but perhaps not for every member of staff. I would say it depends on an individual's role within the business and only for those who have direct contact with the client / buyer or any other stakeholders at any stage of a property transaction.

In terms of those in direct contact being appropriately qualified, this ought to be attained through studying a course to gain a relevant qualification, or qualification by means of having undertaken a defined minimum number of years as a sales negotiator.

There are no barriers to entry to set up an estate agency in Jersey, unlike many jurisdictions around the world. It is surprising that new entrants can come to the market with little or no experience. This should also apply for new self employed agents and new salaried agents working under the umbrella of an established estate agency. This would prevent inexperienced personnel attributing a value to what is in most instances someone's most valuable asset.

We embarked on the Propertymark Level 3 Award in Residential Sales when we went in to lockdown in 2020 but as soon as our course materials arrived we were out there again opening doors as a small business in a very busy market and did not have the time to continue studying. We have decided to await the outcome of this review before following the recommendations and any legislation that follows. I would hope a qualification is tailored to our island laws and buying process rather than the UK course which has a great deal of content not relevant to our work in Jersey. In the absence of a locally established qualification this is the best offering available in terms of a qualification but I suspect many may be putting their studies on hold pending the outcome of this review. Until then, new estate agencies will continue to start up with founders from varying backgrounds and experience. I would propose a requirement for all new start ups to at the very least be members of the UK Propertymark and the Property Ombudsmen schemes and that proven experience as a sales negotiator for perhaps at least three years in the island be a prerequisite.

In the USA it works well as they have real estate licences and in approximately six months one can undertake a prelicensing course before sitting an examination. Following passing the examination it is then a requirement to apply through the relevant state's real estate authority for that licence. Only when approved and a licence issued can a new agent join an estate agency.

Overall, do you think that estate agents in Jersey should be regulated and/or required to adhere to a standard of Code of Practice?

Yes to both. Who would the regulator be though? Certainly not the JEAA where there is the potential for a conflict of interest. A regulator needs to be completely detached from the local association to remain impartial.