

Gaudin & Co – 9th November 2021

I write in my capacity as Owner and Partner of Gaudin & Co. A general practice Estate Agency that has been working in the Island for 85 years

My first thought in relation to this consultation was one of delight. I spoke to former Senator Philip Ozouf about regulating the Industry over 10 years ago and unfortunately it was felt that the work involved in changing the syllabus from a UK Examination to one that was Jersey based was too much for Highlands to consider.

10 years on and having witnessed the amount of Estate Agents increase from early teens to over 50, just concerns me.

In most cases, owning a property in Jersey is ones largest asset. Why would you employ a self-employed agent, who may have been only working in the Industry for a few days or weeks handle this sale. Would you take advice off someone in a Retail Store over your mortgage or pension?

Gaudin & Co have always adopted a very different stance to other Agencies with regards to our Sales Negotiators. Each of them is employed by Gaudin & Co. They are NOT Self Employed. We all work as a TEAM and always remind ourselves who we are working for and who is paying our fee. 99% of the time it is the Vendor, so we have a duty of care to get them the best possible price we can.

I often explain in monetary terms to new employees how other Self Employed Agents work and how and why they are only motivated by money and lining their own pockets and NOT acting for the Vendor

Take a simple scenario as below:

• House Price	£500,000	Other	
Agents self-employed Sales Pitch:		House Price	£500,000
• Agents Commission	1%	Agents Commission	0.75% (Cheapest on the Market)
• Sale Price	£500,000	Cash Buyer	@ £475,000 the following day
• Fee	£5,000	Fee	£4,750

The reason I use this simple example is that Vendors get sucked into cheaper fees by very small agencies without realising the cost to them

Example 1 above takes weeks to achieve full asking price and a fee of £5,000 is paid. Nett figure is £495,000 less Legal Costs and Stamp Duty

Example 2 involves an Agent recommending to the Vendor that they have a great Cash Buyer the following day ready to complete in 3 weeks and they should take the offer. The difference in commission for the Agents in both examples is £125

So the Agent is not motivated to get the best possible price for his Client but to sell it as quickly as he can to get paid

This is a very simple process but one I have heard repeatedly over the years as all these new agencies have opened up.

WE MUST introduce regulation either through many years of experience but preferably an Examination which demonstrates Honesty, Integrity, a knowledge and understanding of valuations and construction and an obligation to try and get the best possible price for their client.

I would recommend that ALL Estate Agents have to pass the recognised NEAA – National Estate Agents Association exams run by PROPERTYMARK. They run examinations across 5 different modules ranging from

- Letting and Property Management
- Sale of Residential Property
- Auctioneering – Not as Relevant here in Jersey
- Inventory Management
- Commercial Property

This is taken from their Website and shows what they are doing in the UK

RoPA stands for the Regulation of Property Agents and in July 2019, the Ministry of Housing, Communities and Local Government (MHCLG) released RoPA's report proposing a new regulatory framework for property agents in the UK.

We have long campaigned for Government regulation to ensure that everyone in the industry holds at least a Level 3 qualification (the level equivalent to an A-level). Following the report's recommendations, we're confident that agents in possession of an established OFQUAL regulated Level 3 qualification like ours will have a significant head start in being ready for regulation when it comes in.

Thank you for allowing me to pass on my thoughts and experiences and I will be delighted to meet and discuss the ideas face to face with any Ministers or Government personnel