

John Scarrott – 21 May 2021

Scrutiny Matters Feedback - Estate Agent Regulation

Who values houses? Estate Agents.

How do they value houses? Pluck any number from the air and say "this is the going rate for a property like this" with no proof required from any auditor or governing body that it is.

Who makes more money in commission from higher house prices? Estate Agents. Both the company and the employee are paid commission, for the employee this is how they turn their low basic salary into a high salary.

Jersey needs an independent body to scrutinise Estate Agents, to ensure that they are not inflating prices just to increase their own revenues and personal commission. Also to ensure that Estate Agents are not colluding and walking up prices as a cartel.

We have the JFSC to do similar regulation of the Finance Industry. We have Scrutiny to ensure our Government are above board. We have the Competition Commission to keep Telecoms companies etc from colluding on prices. Estate Agents are a law unto themselves until we have a similar regulatory body covering them.

We could alternatively make it law to have all property valued by RICS (Royal Institution of Chartered Surveyors) Surveyors only, so that there is no benefit to the valuer from an increased price of the property.

www.rics.org/uk/