

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING AND COMMUNITIES
BY DEPUTY R.J. WARD OF ST. HELIER
QUESTION SUBMITTED ON MONDAY 17th MAY 2021
ANSWER TO BE TABLED ON MONDAY 24th MAY 2021**

Question

Will the Minister advise –

- (a) what regulations or legal protections, if any, currently exist to prevent ‘gazumping’ (making a higher offer for a house than someone whose offer has already been accepted by the seller and thereby succeeding in acquiring the property) occurring within the housing market;
- (b) whether any communication has been undertaken with estate agents to establish the frequency with which ‘gazumping’ occurs in the Jersey housing market; and
- (c) what actions are being planned to address this issue?

Answer

- a) Gazumping occurs when the vendor accepts a higher offer on their property, despite having already **verbally** agreed to another offer. This is made possible because verbal agreements are not legally binding. A contract **must be in writing** before it can be enforced.

Purchasing or selling a home is one of the most important transactions a person will make. I appreciate that in cases where gazumping does occur, it could have significant negative consequences for the individuals affected, including significant professional fees being incurred on the wasted effort to purchase a property.

There is currently no legislation in Jersey that offers protection against Gazumping.

- b) There has not been recent communication between the Government and estate agents on the issue of gazumping. The government does not have current figures to hand of the frequency of gazumping in Jersey. The Economic and International Affairs Scrutiny Panel may include this as part of their review into the Regulation of Jersey Estate Agents.
- c) There are currently no plans to address the specific issue of gazumping. An approach that focuses on a whole set of standards across the property sector would be more effective. However, this would be a new initiative that would need to be considered against other portfolio priorities.