

**Head Office**

Level 5 Vanua House
Victoria Parade GPO, Suva
Phone: 3300792/3310183
CEO: 3305864
Fax 3300115
Email:
complaints@consumersfiji.org

Lautoka/ West

Suite 4 Popular Building
Vidilo Street
P.O.Box 5396, Lautoka
Phone: 6664987
Email:
consumerltk@connect.com.fj

Labasa/North

Level 1, Lot 41 Baza Properties Ltd
Nasekula Road
P.O. Box 64, Labasa
Phone: 8812559
Email: colbs@connect.com.fj

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PRESS RELEASE

Budget Submission to Regulate the Sale of Real Estate

The use of false impressions to hype property buyers and sellers by certain real estate agents has drawn the concern of the Council.

The Council understands there are certain agents who deliberately manipulate property prices by using pressure selling tactics and other gimmicks to get higher prices for commission and the issue needs urgent attention.

And a lack of authority given to the Real Estate Licensing board to oversee sales and purchases of properties in the country allows the issue to fester.

A Real Estate company had claimed to list the most number of properties on the market but only 10 out of 68 advertised properties had marked prices. The Council also found some properties had already been sold but were still advertised to give an impression that the company had a large market share.

The Council found that some companies had solicited bids through an auction with no supervision into how the offers are managed. This raised doubts on whether the auction actually occurred or if it was a scheme to manipulate prices.

The Council also established that property advertisement do not disclose the type of land and in some cases even the location is not given, defeating the purpose of the advertising.

For many consumers, purchasing properties is a life-long dream and most save for years before they identify suitable property that are advertisements. How then do they make informed decisions if key information such as price is withheld? How do they make bids to a property auction if they have no information on its value?

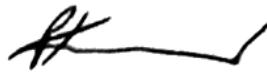
The real estate sector in Australia and New Zealand sets a very good example which Fiji can benchmark against. They have an online 'one stop shop', where a person has access to important information such as: properties recently sold in a particular suburb/locality; price ranges or actual price of property being sold, which can enable them to know the price range; features of properties that is being put on the market and; the agent brokering the deal.

Fiji can take cues from this by adapting the system to meet our needs.

As part of its budget submission the Council has requested that REALB powers be expanded and that all properties listed by the agents for sale, or sold to be registered with REALB, and that REALB ensures that prices of properties actually sold in different suburbs or regions are available online. REALB must be empowered to prevent price exploitation.

This ensures REALB to create a database and website through which both consumers or buyers and sellers can be informed of the expected market prices of properties.

In addition, there is a need to develop Real Estate Advertising Regulation to protect home buyers from unscrupulous realtors.



Ms. Premila Kumar
Chief Executive Officer
Consumer Council of Fiji