

31 July 2025

PRESS RELEASE

Overpriced Property Listings Spark Concern Over Real Estate Practices

Emerging concerns about inflated property prices have prompted the Consumer Council of Fiji to call for greater transparency in the real estate sector. The Council has noted instances where agents advertise properties well above their official valuations, creating confusion for buyers and potentially distorting the market. It is also calling for clearer guidelines on how deposits are managed when buyers choose not to proceed with a purchase.

In a recent complaint lodged at the Council, a consumer paid a \$5,000 deposit for a property listed at \$170,000 while awaiting home loan approval and completing due diligence checks. As part of this process, the consumer obtained an independent valuation from a licensed valuer, which revealed that the property's true market value was only \$135,000 highlighting a significant discrepancy of \$35,000. Based on the significant discrepancy in the property's valuation, the consumer chose not to proceed with the purchase and requested a refund of the \$5,000 deposit.

However, no refund was issued. Instead, the real estate agent offered only a partial refund and informed the consumer that the deposit had been transferred to a solicitor's trust account. This was done without the consumer's knowledge or consent, despite the contract clearly stating that the deposit was to be paid to the real estate agent and it was, in fact, paid directly to the agent. The solicitor, who was acting for both parties, claimed that part of the funds had been retained for legal fees, yet no agreement authorizing such deductions had been signed, and no formal documentation was provided to justify the withheld amount.

The Council views this case as a serious reminder of the vulnerabilities faced by consumers in property transactions, particularly when there is insufficient transparency around how prices are set and how deposits are treated when a sale does not go through.

While this is an isolated complaint, the Council is taking proactive steps to ensure such practices do not become commonplace. The risk of consumers overpaying for properties or losing money due to unclear or unfair deposit arrangements, must be addressed before it escalates into a broader issue.

Council CEO Seema Shandil said that the case raises valid questions about ethical conduct and pricing practices in the real estate and conveyancing sector. "If buyers are not advised to verify property prices independently, and if there are no safeguards ensuring fair refund of deposits,

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we risk creating an environment where consumers feel pressured into transactions that are not in their best interest,” she said.

Licensed real estate agents are reminded that under the Real Estate Agents Act 2006, they are required to act honestly, fairly, and in the best interests of their clients. This includes ensuring that advertised prices are supported by sound valuation data, and that prospective buyers are encouraged to obtain independent valuations before committing to a sale.

Similarly, lawyers facilitating property transactions are governed by the Legal Practitioners Act 2009, including specific trust account regulations. Any deduction from client deposits must be fully documented, agreed to in writing, and compliant with applicable legal standards.

The Consumer Council of Fiji strongly urges all prospective property buyers to take proactive steps to protect themselves during the home-buying process. One of the most effective safeguards is obtaining an independent valuation from a licensed professional before committing to any property purchase. This ensures buyers have a clear understanding of the property's true market value and are not misled by inflated listing prices.

Equally important is ensuring that all terms relating to deposits including how and when they may be refunded are clearly outlined in a written agreement signed by all parties. Buyers should be cautious about making payments without documented terms and should verify who is authorized to receive and hold deposit funds.

The Council emphasises that transparency at every stage of a property transaction is vital. It helps prevent costly misunderstandings, reduces the risk of financial loss, and strengthens consumer confidence in the real estate market. The Council continues to advocate for stronger regulatory oversight and clearer industry standards to protect the rights and interests of homebuyers across Fiji.

Consumers who believe they have been misled or financially disadvantaged in a property transaction are encouraged to report their case to the Consumer Council of Fiji by calling the toll-free National Consumer Helpline 155 or emailing complaints@consumersfiji.org.

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