



New South Wales

Property, Stock and Business Agents Amendment (Underquoting Prohibition) Bill 2015

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The objects of this Bill are as follows:

- (a) to require a real estate agent to include in an agency agreement for the sale of residential property the agent's reasonable estimate of the likely selling price of the property (the *estimated selling price*), and to provide evidence for that estimate to the vendor,
- (b) to ensure that the estimated selling price remains a reasonable estimate of the likely selling price of the property (including provision for the revising of the estimated selling price if required),
- (c) to prohibit the publishing of advertisements in relation to residential property:
 - (i) that state a selling price that is less than the estimated selling price, or
 - (ii) that offer a property for sale by reference to "offers above", "offers over" or any other similar statement,
- (d) to prohibit a real estate agent, or an agent's employee, from representing to a buyer or prospective buyer a likely selling price that is less than the estimated selling price for the property and to provide for a court to order that any fees or commission payable to the agent in relation to the sale of such a property are to be forfeited to the Property Services Compensation Fund,
- (e) to require a real estate agent to keep a record of any quotes given by the agent in the course of marketing a residential property.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Schedule 1 Amendment of Property, Stock and Business Agents Act 2002 No 66

Schedule 1 [2] replaces sections 72 and 73 of the *Property, Stock and Business Agents Act 2002* with proposed sections 72–73B.

Proposed section 72 defines certain terms and phrases that are used in the proposed sections.

Proposed section 72A gives effect to the object set out in paragraphs (a) and (b) of the Overview above.

Proposed section 73 gives effect to the object set out in paragraph (c) of the Overview above.

Proposed section 73A gives effect to the object set out in paragraph (d) of the Overview above.

Proposed section 73B gives effect to the object set out in paragraph (e) of the Overview above.

Schedule 1 [1] and [3] make consequential amendments.

Schedule 1 [4] and [5] make provision for matters of a savings or transitional nature.