

# HOMER TRUTH

## Is Brisbane real estate trying to steal the

 ..... *'tis the season of good will* <sup>( & ill )</sup>

The real estate landscape in Brisbane today is being blighted by a small band of unconscionable real estate agents whose activities leave no doubt that they are more in it for themselves than are they for the people whose interests they are legally and morally supposed to be representing.

Whilst professional misconduct is not new to Brisbane real estate (and synonymous with real estate on the Gold Coast), the sheer brazenness of the behaviour of some Brisbane agents presently risks taking the reputation of the more than 8000 agents currently licensed to sell property in Brisbane back a generation.

In as much as it is true that tougher market conditions bring out the best in the better operators in the market (of which there are many here and on the Gold Coast), they unfortunately also bring out the worst in the lesser lights, the bottom feeders who inhabit the bottom end of the ethics scale. Right now these detritus of society are just far too active for comfort.

The 'Bottom Feeder' agents stock in trade is to prey almost exclusively on the weak and vulnerable in the market (principally '3D victims' - Death, Divorce, and Debt). In today's environment of increased forced sales, they are having an absolute field day, aggressively prowling the market with sinister intent for any messy 'must sell' situation they can get their dirty claws into.

Unconscionable types are of course to be found in all industries and professions. The more 'successful' among them as we know are very clever (albeit deviously) and totally committed to what they do, a commitment matched only by their lack of scruples.

The more prominent 'Bottom Feeders' currently at large in Brisbane (some of whom were around during the last credit squeeze) know 'their time' has again come, that properties are taking longer to sell than normal, and than many sellers are presently under increased financial and emotional pressure.

Bottom feeders feed off misfortune. They are parasites of the worst kind, and unchecked do incredible harm to the industry and to the property market, as the way they operate makes them the ultimate price killers in the market (more on that later).

The 'opportunities' they uncover are almost always already on the market with an agent still trying to do the right thing by the owners despite the sellers circumstances. The Bottom Feeder targets properties listed with other agents because they rarely get listings on their own given their deserved reputations. Once they have identified a likely victim (and the plumper the victim and more convoluted the circumstances surrounding the sale of the property, the better), they gather for the kill.

What the rogue real estate agent lacks in conscience, they more than make up for in tenacity and cunning. They will stop at nothing to get at their intended victim, often not just the commission,

but a slice of any other assets the victim may still have. The muddier the waters, the happier they are. Coercion, bribery, deception, even incredibly the forming of tactical intimate and/or 'business' relationships with any of the victims involved or their children is not beyond them (the relationship side possible given the victims weakened state).

The Bottom Feeder's road may be potentially paved with gold but it is far from an easy one to travel. Essentially to get their booty, they have to pull off all or most of the following:

- Cause the targeted property not to sell in the market as and when it normally should (explained below)
- Convince a sceptical seller (probably wary or at least aware of their reputation despite their vulnerable state) that the current agent is under-performing and they should be given a go
- Once they are given a go at selling the property, shut the seller off completely from any further communication with any reputable body or agency so that they can go about their dirty work with minimal scrutiny or interruption
- Keep co-conspirators to the plan from deviating. These are usually fellow agents, some of whom may not be as deeply and indelibly corrupted as the leader of the pack.
- Cope with the flare-up that will occur when the seller realises the depth of the deception. In order to moderate the risk (or extent) of this fallout, the rogue agent will often look to confuse the issue by introducing secondary property into the equation. This they do usually in the form of a second property being put up as a trade or part payment in any offer to purchase the targeted property (at a grossly inflated value).
- The grub agent usually waits until the seller is totally mentally exhausted before they try this approach knowing from experience that even where a seller comes to fully realise that they are being done over, if they have had enough, they will often roll over and accept the result regardless (thus allowing the rogue to get a second commission - or even a bonus on top, for getting the inflated property accepted as a trade).
- Should the rogue agent not succeed in convincing the seller of the merits of the 'trade sale' approach, convince them to accept a lower price than current market and much lower than what they previously had or would otherwise have got (through the previous reputable agent). This they do by bombarding the seller with 'evidence' of how the market has turned down unexpectedly (since they took on the listing). The lower price they end up getting will also usually come from a buyer introduced to the property by the previous agent meaning the seller will now also be up for two commissions.

Pulling off such a complex deception obviously takes a lot of doing, but it is entirely possible nonetheless.

## Gold Coast's shonky dealings crown?

Once a rogue agent has identified their next victim, they begin with one of the oldest ploys in real estate. While the property is still being marketed by the other agent, they tell any buyers they come in contact with who express interest in buying the property that they 'should hold off because the seller is still totally unrealistic in price' and 'if the current agent doesn't soon get the over the top price they have been promising the seller, they will be given the property to sell, but at the real price' (or similar approach - all a complete fabrication at this stage).

They tell the buyer that they have found out that the seller absolutely has to sell and that they will quickly move to condition them once they have control of the listing (which they will do). They do this with the buyer at the precise time that they are peppering the seller(s) with stories of the great results they are getting elsewhere in the market and how it defies logic that the current agent hasn't been able to sell the property giving how well this sector of the market is performing and how realistic the sellers are. Effectively, they apply a liberal dose of greed to both buyer and seller, telling both exactly what they want to hear.

You may be thinking by now that surely anyone with half a brain in this day and age could not fall for such a Grade 1 scam..... And you would be right, normally. But when people are under the abnormal levels of stress and strain that come with forced sale situations, regardless of how rational and intelligent they may normally otherwise be, they are often prone to doing abnormal things. This irrationality is the bottom feeder agents' staple diet which they exploit to the hilt. They even understand that if a seller in a weak moment does give in to them, the seller will often justify the dubious decision by telling themselves that the agents character flaws may be to their advantage. This they do despite any evidence to support such a notion and overwhelming evidence to the contrary. One of the life's great travesties is how victims of conmen grab at the possibility that someone else might in turn be as stupid or naive as them.

Naturally buyers welcome the interference of the rogue agent as a golden opportunity to acquire a property cheaper. That this is how it seems to them at face value does ignore the fact that the only reason the rogue agent was ever able to get involved in the first place was because they talked the seller up in price. This leaves the buyer in the rather invidious situation of having been convinced a property is worth less than what they used to think it was and a seller who's been convinced it's now worth more.

That rogue agents are able to legally represent the interests of buyers and sellers of highly valuable items of real estate may be a travesty of justice but it is what it is and is unlikely to change anytime soon as the worst offenders are simply far too clever and always at least one step ahead of the law.

The only way that their activities may be curtailed or at least contained is if they are starved of opportunities. The more people

aware of their conduct and its predictable nature, the less victims there will be. Unfortunately however, many victims of rogue agents scams don't report them because of the embarrassment that comes with the admission that they could ever have been so stupid as to become associated with them in the first place. This failure to take them to account is just what the rogue agent wants and it encourages them to continue offending.

Should you have fallen victim to an agent anywhere in the Brisbane real estate marketplace (or elsewhere), you can do something about it and without taking recourse to the law should you believe that's not an option (which it often won't be because bottom feeder agents deftly avoid exposing themselves legally and tend to park any assets they may have out of harms way).

The internet has spawned a number of public interest websites that openly encourage 'outing' rogue real estate agents which can be done anonymously. [www.ozripoff.com.au](http://www.ozripoff.com.au) is one such website where Brisbane (and other area) real estate agents who may have transgressed are named (although I note that some of the cleverer and worst offending agents in Brisbane are notable exclusions from the list on this site at least). Should you visit the site, we warn that some of the content can be confronting. We also do not hold a position on the veracity of any of its claims.

Generally as a company committed to improving the image of our industry, we strongly recommend that anyone who has been the victim of agent or agency malpractice always take action to remedy. You will definitely be doing society a favour if you do.

***\*An example of this recently played out in St Lucia where we had someone interested in a property at \$1.7million. One of the grub agents got wind of the fact and next we hear they have sold the property to our buyer for \$1.4million. We will still get our commission for the sale in due course, that is not the crux of the issue. What is unjustifiable is the fact that the property sold for more than a quarter of a million dollars less than what it should have, in so doing significantly downgrading real estate values right across the area (and elsewhere).***

***Not surprisingly, when I took this up with the buyer (who I had known personally for more than a decade) he said simply, 'It was a shame but as you can understand we had no real choice in the matter, we either paid \$1.7million through you or the \$1.4million the other agent guaranteed we could get the property for, which as you know, they did'.***

Sadly the perpetrators here will probably enjoy reading this. What they won't enjoy as much however is having to lay forever in the bed they have now made for themselves in the industry.