



Property valuation law sparks war of words

Roger Dickson

dicksonr@tcp.newsltd.com.au

ONE of Australia's leading valuers has lashed out against proposed new laws requiring real estate agents to effectively value the homes they are selling.

And it has sparked a war of words with the Real Estate Institute of Queensland.

Iain Herriot, of Herriots Certified Practising Valuers, said changes in the Property Agents and Motor Dealers Act would create a "legal and ethical" minefield for the real estate industry.

He said the changes would require agents to justify in writing why they had decided on a particular value.

That justification must include a comparative market analysis of three similar properties within a 5km radius that have been sold in the previous six months.

"The proposed Property Agents and Motor Dealers Act would allow agents and auctioneers to act as unlicensed valuers,"

Mr Herriot said. "If the new changes take effect, agents can just pick out three local sales, give some marketing spiel on why they are similar properties to a potential vendor and that's that."

He said to provide written advice on the value of a property without a four-year university course and two years' practical experience was illegal and if the new act was

adopted it would be in breach of the Government's own Valuers Registration Act.

Real Estate Institute of Queensland northern zone chairman Chris Gay said it was inevitable the changes would take place.

"But if the State Government is requiring real estate agents to comply with the act is Mr Herriot suggesting we break the law by not following the act? If he has issues he should take them to the Government and not get stuck into real estate agents," he said.

"We have to comply with the law."

But Mr Gay did say the proposed act was not perfect and there was plenty of room in the legislation for error as picking a similar nearby property did not necessarily take into account improvements such as landscaping, pools, sheds and interiors.

"The simple fact is we are not gaining internal access so it is somewhat difficult to do a real comparison of properties," he said.

"It's not just about using comparison sales, it is about doing a proper inspection to ascertain all improvements to get a true value of a property.

"That is the way to correctly appraise a property."