

FOR RELEASE: 14 May 2022

10 ideas to make the painful property purchase process easier

27% of Victorian home buyers report that they have experienced underquoting

A consumer think tank has released a new report today with ten ideas to make the process of buying a home easier for Victorians. The report from the Consumer Policy Research Centre (CPRC) has found that people buying a home do not have access to accurate information about the price and quality of a property before they buy.

“As consumers we’re expected to do the leg work to understand complex purchases but in the property market it is far too hard to get accurate and clear information.” says CPRC CEO Erin Turner.

“Buying a property can and should be easier than it is. Whether we’re in a buyer’s market or a seller’s market, there should be clear and consistent information about properties available to everyone. It shouldn’t be a wild goose chase to find accurate information.”

The Consumer Policy Research Centre surveyed 500 Victorians who bought a property in the last five years to understand the challenges people face when searching for and buying a property.

CPRC found that:

- 82% of Victorian home buyers want more accurate pricing information on the Statement of Information
- 75% of Victorian home buyers want the vendors’ reserve price to be published before auction
- 27% of Victorian property buyers believe they have experienced underquoting on their journey to buy a property
- 17% of Victorian home buyers didn’t get a building report which means they didn’t have essential information before purchase

Victorians singled out underquoting as a relatively common and unfair practice.

“One of the biggest harms from underquoting is additional out-of-pocket costs. 17% of Victorian home buyers paid for building inspections for 7 or more properties before they made their purchase. We estimate that these additional building and pest reports add at least \$4,200 to the search process.”¹

“Underquoting hurts the most when someone has paid for reports like building or pest inspections on a property that’s unknowingly well outside their budget.”

¹ Calculation assumes an average \$600 for a combined building and pest inspection for seven properties. Prices vary significantly based on property and location.

CPRC has put forward ten ideas to make the property search and sale process better and fairer for home buyers. This includes a proposal to make vendors supply independent building and pest reports, rather than have buyers coordinate and pay for this essential information.

“Reports on building quality matter. They should be available to every home buyer before a sale. The easiest way to achieve this is to get one independent building and pest report done for each property, with the vendor paying for one report rather than buyers paying for multiple.”

Download the full report: at cprc.org.au [from 10 May 2022]

CPRC CEO Erin Turner is available for interview on request. Contact 0431412962 or media@cprc.org.au

Notes

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit consumer think tank. It receives funding from the Victorian Government to create fairer, safer and inclusive markets by undertaking research and policy work in the public interest.

CPRC surveyed 500 people who purchased a property in the last five years, focusing on the search process. The survey was conducted in April 2022 on the Ipsos Digital Platform. Terms and Conditions of Ipsos' Digital Platform can be found here: <https://www.ipsos.digital/terms-and-conditions>