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# Technophobe solicitors 'aid gazumping'

## Justine McCarthy

ESTATE AGENTS have accused technology-averse solicitors of delaying the closure of house sales by up to 18 weeks and assisting gazumping, by conducting business via snail mail.

Representatives of the Institute of Professional Auctioneers and Valuers (Ipav) told the Oireachtas justice committee a survey it conducted of its members found the average time lapse in 2014 between a property going sale agreed to closure of the sale was nearly four-and-a-half months.

This compared with average European sale closures of 30 to 60 days.

More than 70% of estate

agents attributed the delays to solicitors' reluctance to "do business by email or phone, instead favouring the traditional method of letter-writing".

Keith Anderson, the Ipav president, said: "Alexander Graham Bell introduced the telephone in 1876 and, to this day, solicitors will not use the telephone, nor will they use email. They will write to clients. It takes a week to write a letter and a week to come back."

Nearly seven in 10 auctioneers surveyed said they had lost sales as a result of the delays and more than 27% said they had experience of banks withdrawing financing.

Pat Davitt, the Ipav chief executive, said: "Our worry

would be that unless modern methods of communication are fast-tracked the situation will get worse, particularly as the property market recovers further."

Martin Conway, a Fine Gael senator, said: "No disrespect to the two witnesses, but auctioneers have been as responsible as anybody else for gazumping and for some of the behaviour which ended up creating and causing gazumping, particularly during the Celtic tiger period."

Davitt replied: "Since 2012, it is against the law to not pass a bid on to a vendor if it is made after the property goes sale agreed and before the actual contracts are signed. If I sell a property today, it goes sale agreed.

"If someone else then makes a higher offer the next day or a week later, I have to go back to the vendor. If I do not go back to the vendor, that vendor can complain to the regulatory authority and I could lose my licence. The moral of the story is that auctioneers do not like gazumping. It is not good for us and we do not want it to be practised."

He proposed that a signed contract between the auctioneer, vendor and buyer at the time the sale is agreed, subject to a subsequent contract by the solicitor, could mitigate against gazumping, though not eliminate it.

The Ipav asked the committee to help fast-track a changeover to

econveyancing. Davitt said that the Property Registration Authority, which is responsible for setting up the system, has indicated it will take two-and-a-half years to complete.

"The Oireachtas could push the Property Registration Authority into committing to a reasonable time frame that would be a lot less than two-and-a-half years," Davitt said.

"In that context, introduction might be possible within one year."

Gabrielle McFadden, a Fine Gael TD, pointed out that after Revenue introduced an electronic stamping system for property sales, a process that used to take months "now takes three or four days".