

Press release: Government to professionalise the estate agent market

New measures will be introduced to professionalise the estate agent market, driving up standards and bringing an end to 'rogue managing agents', announced Housing Secretary Sajid Javid today (8 April 2018).

With over one million homes bought and sold in England each year, delays and complications during the process cause unnecessary financial and emotional stress to customers. This uncertainty can lead to delayed decisions and contributes to over one quarter of house sales falling through annually.

According to government research, more than 6 out of 10 buyers and sellers have experienced stress, and around a quarter of sellers said they would use a different estate agent if they were to go through the process again.

Estate agents will now be required to hold a professional qualification and to be transparent about the fees they receive for referring clients to solicitors, surveyors and mortgage brokers. Other measures to make the system easier, faster and more transparent include:

- encouraging the use of voluntary reservation agreements to help prevent sales falling through and crack down on gazumping
- setting a timeline for local authority searches so buyers get the information they need within 10 days
- requiring managing agents and freeholders to provide up-to-date lease information for a set fee and to an agreed timetable which will end the current situation where leaseholders are at the mercy of freeholders and their agents
- strengthening the National Trading Standards Estate Agency Team so they can carry out more enforcement activity which includes banning agents

Housing Secretary Sajid Javid said:

Buying a home is one of the biggest and most important purchases someone will make in their life. But for far too long buyers and sellers have been trapped in a stressful system full of delays and uncertainty.

So we're going to put the consumers back in the driving seat. We will require estate agents to hold a qualification so that people are no longer at risk from a minority of 'rogue agents' and can trust the process when buying or selling their home.

Mark Hayward, Chief Executive, NAEA Propertymark said:

We particularly welcome the commitment to further regulation – we have long argued that estate agents should be recognised as professionals, this is an important step towards achieving this and we look forward to working with the government.

There are approximately 20,000 estate agent businesses across the country, and currently, anyone can practice as an estate agent. The changes set out will professionalise the sector, creating a more trustworthy and reliable industry who will be better held to account.

Guides on 'How to Buy' and 'How to Sell' will be developed and published to ensure customers are better informed of the process and know what questions they should be asking. The government will work with consumer groups and industry to develop a consistent set of performance metrics for conveyancers, so consumers can make a more informed choice.

To bring the profession into the technology era, a working group will be set up to bring industry and partners, such as HM Land Registry, together to look at developing innovative digital solutions to speed up the home buying and selling process.

Government will consult on how the industry can be brought up to professional standards, like those in the same trade such as conveyancers, solicitors and surveyors.

These new measures follow an 8 week [consultation](#) which ended in December 2017.

There will be behavioural insight research carried out on reservation agreements with the aim of trialling them by the end of this year.

[Research](#) last year by the Department for Business, Energy and Industrial Strategy found:

- of those that experienced delays, 69% of sellers and 62% of buyers reported stress and worry as a result of the delay
- 46% of sellers had concerns about a buyer changing their mind after making an offer
- 24% of sellers would use a different estate agent if they were to go through the process again
- 32% of sellers and 28% of buyers were dissatisfied with the other party's solicitor