

SECRET AGENT

GARY LaPERSONNE



Agents still treating buyers like dummies

LEGISLATION aimed at snuffing out underquoting is a toothless tiger. That's the view of buyers' advocates who are at the auction coalface and who believe it's shaping up as the hot issue next year.

"It happens every week," says buyers' advocate Peter Rogozik. "Underquoting brings people to auctions under false pretences and leaves them disillusioned with, and demoralised by, the whole process. They leave in tears. I've got lists of properties being under-quoted."

His worst example? A Gole Peden agency quote of \$750,000-plus for 7 Anderson Street, South Melbourne. It sold under the hammer on November 26 for \$1,227,500.

"Even if quoting isn't an exact science, being so far out is ridiculous," he says.

Buyers' advocate David Morrell,



also concurs. "The biggest bane of underquoting is the emotional damage. You see it with distraught young people, particularly those buying at the lower end of the market. They've done their pre-purchase housing inspections, set up their loan, then the opening bid is more than their top limit."

Justin Dunne of Advantage Property Consulting says the recent sale of a home in Spring Road, Caulfield, typifies the problem.

It was going to auction and Gary Peer Real Estate's quoting range was \$720,000-\$790,000. Dunne says he rang a couple of local agents for their opinions and was told to expect around \$800,000. "I called (the selling agent) and asked if an

offer in that range on the day would have a chance of buying the property."

He claims he was assured it would. On the day of the auction, it was passed in at \$785,000. "The reserve was \$845,000," he says.

"Agents will explain it away by saying the vendor woke up that morning and decided that was the price he wanted."

Meanwhile, Morrell is furious that eight months after reporting Jellis Craig to Consumer Affairs Victoria for alleged underquoting,

his client has yet to be interviewed. "Who have the (CAV) inspectors pinged for either dummy bidding or underquoting?" he asks.

A CAV spokeswoman says Morrell was informed in September that his complaint was being looked at. It claims to have referred some complaints to the Victorian Civil and Administrative Tribunal but refuses to discuss numbers.

IN FOR A PENNY

WE HEAR that Gabriel Pennicott, pictured above right, the property spruiker who fleeced gullible Melburnians of \$20 million and then brazenly set up his "wealth creation" business in the US as

Gabe Pennycott, is set to wed soon.

One connection of his bride-to-be is frantic and has emailed consumer advocate Neil Jenman requesting information on the prospective groom. "My daughter's friend is about to get married to this guy in a few days and we want to have the facts/proof before telling her what we have uncovered about Gabe," she wrote.

She should get in touch with Pennicott's ex-wife, left penniless after the glib talker allegedly slipped past corporate watchdog ASIC by faking illness on the day of the interview and vanishing 24 hours later.



MINT CONDITION

FALLOUT from Gavin Muir's Teac Australia fiasco has left his grandly refurbished ex-headquarters, the former Royal Mint, up for lease. That includes the southern gatehouse, which he had sublet to veteran businessman, lawyer and one-time corporate raider Peter Nicholas Yungihanns.

Yungihanns has to vacate by January 18 unless, of

course, he is successful in tendering for the whole edifice.

After Muir's financial bubble burst and the parent company in Japan took over management of the local branch, expressions of interest to lease the vacant 19th-century Williams Street building were called for, with December 23 the deadline. Leasing agent Kevin Courtney of Colliers International says there have been "strong" inquiries from a number of consultancies, barristers and businesses to take on the 21-year lease. It's believed Yungihanns is among those who have expressed interest.

But it doesn't come cheap. Muir leased the Crown-owned property for \$500,000 a year and Yungihanns sub-leased off Muir for \$1000 a week. And their tenure should be of great benefit to the new leaseholder. Muir spent more than \$2 million giving the interior of the main building a makeover, while Yungihanns splurged \$70,000 on refurbishing the gatehouse, installing carpets and period curtains.



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