

## What is a Statement of Information?

In May 2017 changes to the *Estate Agents Act 1980* came into effect to strengthen laws against underquoting in Victoria. One of the items required under the changes was when listing and selling a residential property in our state a Statement of Information must be provided to prospective purchasers. You might be asking “what exactly is a Statement of Information?”

### *The Statement of Information must include;*

#### Want more information:

- Contact us
- Consumer Affairs Victoria  
<https://www.consumer.vic.gov.au/underquoting>

- an indicative selling price for the property. This may be a single price or a price range of up to 10 per cent. It must not be less than:
  - the real estate agent’s estimated selling price
  - the seller’s asking price
  - a price in a written offer that has already been rejected by the seller.
- details of the three most comparable properties, including the address, date of sale, and sale price; or - if not taking into account three comparable properties when setting the estimated selling price - a statement outlining that the agent reasonably believes there are less than three comparable sales within the prescribed period
- the median house or unit price for the suburb. This may be for a period of between three and 12 months, and must not be more than six months old.

Modern day buyers have a wealth of knowledge at their finger tips and do a lot of research online before they make a call or email the agent. In most cases the prospective purchaser can see a property that might interest them on today’s market and know what the property looked like last time it sold, when it sold and how much for. They have most likely been watching the market over a few months looking for the property that suits their needs. So in some ways the Statement of Information isn’t telling buyers anything they might not already know if they have done their due diligence and investigated the property and its surrounding suburbs online. What the Statement of Information does do however is provide buyers with information on how the asking price was arrived at between the seller and agent.

The heart of the matter is the changes to the *Estate Agents Act 1980* were made to address the need for the laws that apply to residential property sales to meet the false and misleading representation provisions of Australian Consumer Law (ACL).

***So that's a good thing for purchasers.  
What does it mean for sellers?***

Hopefully your agent has already discussed with you the comparable properties and any other relevant information they used when they provided you with their estimated selling price (appraisal price). They probably (well the good agents do) also talked to you about the reality that in the end the market will tell you what your property is worth. So how does your agent know that? Well to keep the answer simple for this discussion; your property will get enquiry, and then inspections and offers and then it will sell.

If your agent hasn't had this discussion with you about the Statement of Information then ask them to show you a copy and remember the Statement of Information must be:

- displayed at all open for inspections
- included with online advertising
- given to a prospective buyer within two business days of a request
- updated if there is a change in the indicative selling price.

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**Contact us for more information:**

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