

Traditional Estate Agents stuck in the past as property owners save money with new ways to sell

Britain's antiquated method of buying and selling homes is out of touch, out of date and leaving millions out of pocket, according to a new report from Purplebricks.

The cost involved in putting a property up for sale and completing a purchase is the biggest gripe among owners.

Paying thousands of pounds in commission, usually as a percentage of the value of the property being sold, was seen as unnecessarily expensive by more than one in three (35%). The level of stamp duty was regarded as "annoying" by 28% of buyers.

Overall one in four house owners (26%) believed they paid too much in finding and moving to a new home.

Commission, legal fees and taxes were top of the list of charges that prospective buyers and sellers hated paying the most, the report found.

The changing way people look for property and the service they expect to receive was revealed by the study commissioned by Purplebricks which questioned over 1,000 owners about their views on buying and selling the home.

It showed 95% - almost everyone – saw online as the first port of call, which has subjected the work of the high street agent to more scrutiny. Four in ten (42%) said traditional agents represent poor value for money. One in seven (16%) sellers felt they did not do enough to justify their charges and only 10% said they offered good value for money.

When it came to estimating the amount of commission they would expect to pay to sell a £500,000 house, 96% underestimated the cost and one in seven (16%) said they had no idea what the bill would be.

When asked how they would have felt if they had appointed an estate agent to sell their property, only to find they could have purchased the same service for a lot less, almost all - 94% - said they would feel annoyed with six out of ten saying they would be "very annoyed".

Less than 5% were concerned with an agent showcasing a property in a high street office shop-front while one in ten said that they chose an agent following recommendation from a friend or a family member.

Michael Bruce, CEO, Purplebricks said: "Homeowners are entitled to a fair, transparent and convenient way to sell their homes and it is no longer acceptable to charge ever-increasing fees just because that's the way things have always been done.

"This report shows that commission is the charge people dislike paying the most when they sell. But it doesn't have to be that way, there is an alternative: a fair fixed fee with the same personal service as the high street. We want to help as many customer as we can avoid commiseration - that feeling of kicking yourself because you could have got the same service for less."

The report comes as the Competition and Markets Authority announced a £100,000 reward to those who blow the whistle on illegal estate agency cartels, after an agent in Somerset agreed to fix their fees at 1.5%

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