

I am concerned over the takeover of homes.co.nz as detailed in a recent NZ Herald column – 19th February 2021.

Point 1

The number of web sites for the property market is severely constrained already and the purpose of this takeover is to reduce competition to the advantage of the dominant player in the market – Trade Me, which is elaborated in Trade Me’s own submission, where they detail (Page 128), that they hold 66.5% of the on line spend of real estate advertising.

My Company was an original subscriber to the realestate.co.nz web site through the Auckland Multiple Listing Bureau, now merged through the Real Estate Institute, with a web site operated by the Real Estate Institute of NZ and Property Page (NZ) Limited – Ray White, LJ Hooker, Barfoot & Thompson, Harcourts & Bayleys. The Property Page web site was inferior to the Auckland Multiple Listing Bureau site, with the adoption of Bureaus site as the formation of Realezn.

At the time of the merger the Auckland Multiple Listing Bureau held a 40% share of the Auckland Real Estate Agent market. The result of this takeover is already evident by the number of small players who were members of the Auckland Multiple Listing Bureau terminating their businesses.

As a small player in the market, fairness of operation should be paramount. Our original web site – Auckland Multiple Listing Bureau was created to provide small operators equality of opportunity. The aggregation into a restricted number of web sites is reducing competition.

Trade Me are already “rack” charging for their web site advertising to increase their profits. This ocured shortly after the settlement of the large Real Estate Companies dispute with your agency.

There are 1,300 Real Estate Offices in New Zealand who are the main contributors to the realezn site - not 14,000 salespeople, and the advertising in various media is not paid by Vendors it is mostly paid for by the agencies.

The best that your Commission can do, is not approve the takeover and do nothing and let the market determine through competition the best service. It is obvious in the Trade Me submission that homes.co.nz is struggling to provide a service of value.

Just let homes.co.nz close down and let their owners take the loss.

It is not for the commission to pick winners or losers.

Point 2

I also want to raise to the Commissions attention the predictive software that is provided on various Real Estate Web Sites – this is outlined in Trade Me application.

From their submission I surmise that this is the real purpose of the takeover of homes.co.nz

These computer codes provide misleading and deceptive price rigging indications as regards market pricing and should be outlawed.

I make this statement as a Registered Valuer and Real Estate Agent - one of the few individuals in New Zealand to hold Registration in both fields.

I am reporting this matter as it came to my attention when I recently sold my own property.

The property I sold was a development site with potential for multi-unit development, not as an existing 2 Brm house with sunroom for continued occupation for residential use.

The Rating Valuation 2017 was \$940,000, we sold it for \$1,050,000, but a predictive valuation programme flashed across the screen, when I was listing the property, of a figure as I recall of \$780,000. This is a 30% variation from the final selling price.

In the hands of unscrupulous property purchasers or agents, this could be used to indicate a lower figure to sell the property at, than what the real value is.

I have noticed these predictive valuations when completing normal property valuations and they are in some cases well wide of the mark, especially with wild flower properties which are out of the ordinary or hold different classes' of zoning and potential.

Graeme Berryman

NB There is a mistake in item 114 in Trade Me's submission.

As I understand the position is that Core logic are the owners of the information supplied by Councils throughout New Zealand having acquired the ownership rights of the Valuation Department.

How this critical information source ever got sold to an overseas private company from Government ownership is well a question that the Commission should address.