

More and more home buyers are faking it says Ronald Ennik

“A new, and strange, phenomenon of ‘fake buying’ has emerged in the upper end of the Johannesburg homes market over the past five years, says real estate agency principal Ronald Ennik.

“And I am aware that it is also happening in Cape Town.

“It’s about ‘buyers’ who submit offers on (mainly) big ticket homes that they simply have no intention of purchasing – even if they **can** afford to close the deals”, adds the founder and principal of Ennik Estates.

“It is both a time-wasting and cost-consuming exercise. And it is also downright dishonest. If my own experience can be taken as a yardstick, it poses a real threat to the residential property sector as a whole,” says Ennik.

“Drawing attention to it is a leap of courage for me because, until now, this seemingly inexplicable problem has generally been kept under wraps. Why? Because of how poorly it reflects on those of us in the real estate marketing community who have fallen prey to it.”

Agents led down the garden path

At face value, adds Ennik, it would seem that estate agents should anticipate these scenarios before they take hold. “The reality is that we are led down the garden path time and time again – often at the seller’s behest – in our efforts to achieve best outcomes.

“Ironically, the ‘fake buyers’ go to great lengths in the process,” says Ennik. This includes

- their attendance at multiple meetings at the property they are supposedly interested in;
- bringing along their own experts for an on-the-spot opinion;
- inviting other third party visitors – including family, friends, colleagues, and domestic staff – to view the home;
- and even going as far as obtaining quotes for alterations and renovations.”

The million dollar question

“This process can play out over a number of weeks – even months.

“The million dollar question is: Why do people do it when they know it will inevitably collapse as a total waste of time?

“Personally, I have confronted this problem on about 20 different occasions at the top end of the market. It has no boundaries in terms of financial means, ethnicity, gender, age, social structures, or personality,” says Ennik.

“Some of these so-called buyers have been wealthy people who have faded away. Others have been men and women of straw. They put estate agents in extremely bad light.

“My personal worst experience of fake buying involved 55 meetings in a single year with a seemingly well heeled potential buyer of a particular home in Linksfield. The deal simply didn’t materialise,” says Ennik.

A form of foreplay

“At its worst, fake buying can even be a form of ‘foreplay’. For instance, a man arrived at a show day with a new partner on his arm – and put in an offer, apparently to impress her. (This surfaced later, in the de-brief).

“It happens! And it leaves the agent singularly unimpressed!

“There is surely no other service industry out there that over-services more than estate agents do,” says Ennik.

“For an outcome of one or two deals in a month we may have done multiple valuations; taken buyers to homes; provided advice and guidance on market conditions; price-counselled sellers; liaised with lawyers; fought for sole mandates; and spoken to a few hundred people in the process,” says Ennik.

“The fact is that agents generally stick to the rhythm and routine of providing service. We will almost always give the buyer the benefit of the doubt – even when we have reservations about his or her credibility.

“Perhaps this unwelcome phenomenon is simply just another knock-on effect of the topsy-turvy, almost unbelievable, socio-economic and political challenges that confront our country right now,” adds Ennik.

“Its centrepiece is the **GuptaLeaks** process, which continues to reveal the dodgy underbelly of more and more of South Africa’s once-trusted institutions and leaders.

“It seems rife in today’s South Africa that face value has a dark side,” Ennik concludes.

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