
From:**Sent:** Sunday, 5 August 2018 12:15 PM**To:** ElectorateOffice Hornsby**Subject:** Trailing commissions

Submitted on Sunday, August 5, 2018 – 12:14 Submitted by visitor: Noel Simmonds Submitted values are:

Full name: Noel Simmonds Postcode: I live outside the Hornsby electorate Subject: Trailing commissions Message: Mr Kean, I read with interest your concerns and interest in regulating the insurance and broking industries. I believe there is also a major issue in the project home industry. I have been involved in this industry for approximately 20 years. In recent times, a major growth area has been in the area of “third tier marketers”. Commissions payable to these marketers can be up to \$30,000 to \$40,000. These are not disclosed to the purchasers of the properties but are paid by the builder to the marketer who source purchasers through investment seminars. During the last financial crisis, purchasers of properties bought through this method found the value of their properties did not match the original purchase price as this “marketing fee” had been added in. We are frequently contacted by “third tier marketers” advising they have clients looking for properties and requesting a fee of \$30,000.00 to \$40,000.00. A majority of our house and land packages are valued in the \$450,000 to \$500,000 range. This marketing fee, when added, then has implications on the valuation of the property. I am aware clients are then requested to contribute their own funds to cover the shortfall in the valuation. I feel this is an area which requires investigation and steps to put regulation on this practice.

The results of this submission may be viewed at:

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