

Agents warn of new high-end property scam

A number of leading estate agents are cautioning the sellers of high-end homes against scammers who are putting in offers without having any intention of actually buying the property.

In April 2015 a property consultant who handles property sales in the Blair Atholl Estate and Bryanston area, was approached by a professional woman who asked to view houses in Blair Atholl.

The woman claimed to have an architectural background and “fell in love” with a house built in a particular architectural style. She put in an offer for close to the asking price of R26m and explained that she was waiting for a R400m payment into her foundation for projects that she was initiating in Africa, namely building schools and hospitals.

She met with the seller and requested that certain renovations be made before she moved in. The property consultant checked the woman’s credentials with another agent she had mentioned knowing and it seemed that she was legitimate even though she had never before made an offer. Seven days before the 12-day waiting period was up, she phoned to say that there was a delay in the transfer of the R400m and offered to take the sellers and the property consultant out to lunch to make up for the inconvenience.

Over the next few weeks, her excuses became increasingly unbelievable, and despite reassurances, she eventually stopped taking calls. The property consultant and the seller issued her a notice of breach, giving her seven days to come up with the money, and then sent a formal cancellation of the sales agreement.

Shortly afterwards, the property consultant was contacted by another “colleague” from the same “foundation”, asking to put in an offer on another R60m house in the same suburb. “And I had to go through the whole process with her again,” says the property consultant. “As an agent, I have to broker any deal. I can’t say no because I think someone’s scamming us, and you can’t ask people for their bank statements up front.”

The mode of operation is always the same: the scamsters ask to be shown high-value houses, seem set on one, make an offer that’s close to the asking price and then come up with excuses for why they can’t come up with the money. Property consultants has seen some of these fake buyers sign transfer documents and even forge bank guarantees to keep the game alive.

In some cases, they ask to be allowed to occupy the home urgently, and if this is allowed, the seller is then faced with extensive and costly eviction processes.

This may seem like an isolated incident, but is in fact part of a growing trend that high-end estate agents are seeing. The property consultant herself has had four such experiences this year, and there are reports of similar stories from other agencies.

It’s important for high-end estate agents and sellers to be aware of this type of scam and to make sure that all documentation is legitimate and to not give in to any requests until the money is on the table.

