

# STATES OF JERSEY



## STATUTORY PRE-SALE AGREEMENTS FOR STANDARD RESIDENTIAL PROPERTY TRANSACTIONS

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Lodged au Greffe on 4th August 2025  
by Deputy M.B. Andrews of St Helier North  
Earliest date for debate: 30th September 2025

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STATES GREFFE

## PROPOSITION

**THE STATES are asked to decide whether they are of opinion –**

- (a) that all residential property transactions must include a legally binding pre-sale agreement between seller and purchaser, excluding the following types of transactions –
  - (i) intra-family or intra-company transactions;
  - (ii) Government or arm's-length body transfers;
  - (iii) auctions or forced sales;
  - (iv) transfer of shared transfer real estate;
  - (v) transfer of shares owned in real estate; and
  - (vi) guest houses, hotels and other temporary accommodation transactions;
  
- (b) that pre-sale agreements must include a financial penalty to be paid by the seller or purchaser should they default on the agreement without a legitimate reason, to be stipulated in law;
  
- (c) to request the Chief Minister to establish a list of exclusions to the imposition of a financial penalty, as set out in (b), including, but not limited to –
  - (i) mortgage refusal following an adverse survey;
  - (ii) substantial damage to the property (such as fire or natural disaster);  
and
  - (iii) chain collapse where a party was reliant on a preceding sale; and
  
- (d) to request the Chief Minister to bring forward for approval the necessary legislation to give effect to this decision no later than June 2028.

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

## REPORT

### Background

Following concerns raised by several States Members about the extent of gazumping in Jersey, a review panel was established, which produced the *Residential Property Transactions* report on 19 March 2018 ([Report - Residential Property Transactions - 19 March 2018.pdf](#)). This report included 18 findings and 8 recommendations. Of these, the then Chief Minister, Deputy Gorst, accepted 3.

Deputy Gorst neither accepted or rejected<sup>1</sup> the panel's first recommendation — which called for a consultation into whether pre-sale agreements should be incorporated into the property transaction process — and as a result, no government action was taken.

### P.34/2025 and the Government Response

Having revisited the 2018 report, I lodged [P.34/2025](#) requesting the Chief Minister, in consultation with the Housing Minister, launch a formal consultation and present findings to the States Assembly by June 2027.

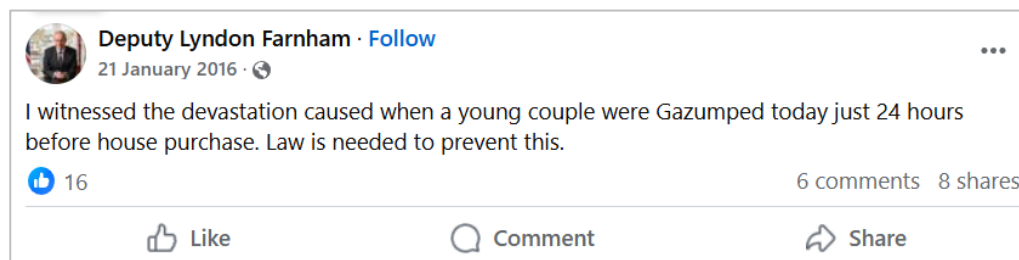
However, in their [Comments](#) paper on the proposition, the Council of Ministers declined to support the proposal, stating:

*“How and when a proper review of the property transaction process is undertaken is something that will need to be considered in the next political term, in light of the priorities and resources available to the next government.”*

This was a peculiar justification for rejecting a straightforward backbencher proposition which is a matter of public interest — particularly one that simply asked for the work to be completed by June 2027.

### Missed Opportunities

On 21 January 2016, Deputy Farnham stated on social media that he believed a law was needed to prevent gazumping. Yet, nine years on, no action has been taken to address gazumping and gazundering in Jersey.



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<sup>1</sup> [Residential Property Transactions \(S.R.2/2018\): response of the Chief Minister](#), p. 8

As politicians, we must instil confidence in the housing market for both buyers and sellers. It is evident that without legislation, Islanders will continue to be vulnerable to gazumping and gazundering. The 2018 panel found that lawyers often advise against pre-sale agreements — advice which may leave clients exposed to the very risks they are trying to avoid.

This reinforces the case for legislation to modernise the property transaction process to better protect islanders. With legal recourse in place, buyers and sellers would have greater confidence in the process and some financial recompense should a transaction fail.

### **The People’s Voice Matters**

I conducted several social media engagement exercises to gather public views on whether legislation is needed for gazumping and gazundering. One islander responded:

*“Any reasonable person can see the system needs improvement and modernisation. I was amazed that the last time this came to the States, nothing was done because members did not see a problem. I would suggest the current members ask their own constituents who have bought property what they think. I know what their answer would be: ‘We need change.’”*

Another islander commented on the ethical shortcomings of Jersey’s transaction process:

*“In other countries, when an offer is made on a property, a contract is signed, subject to survey. If the buyer or seller pulls out, that party pays a fee. It is shocking that one party can pull out right up until the court date, and in some circumstances, even on the court date. Something needs to change.”*

In one case, I heard from a seller who agreed to delay a sale for six weeks to help the buyer finalise financing. The buyer visited the property several times, discussed furnishings, then withdrew suddenly without explanation. This conduct had real emotional and financial consequences:

*“We took a house off the market at the request of our purchaser. We agreed to delay the sale by six weeks to assist them with financing. They contacted us to ask for first refusal on any furniture we were selling and visited to take measurements. Then suddenly, with no warning, they emailed our estate agent to pull out of the deal, and we never heard from them again. Moving home is stressful enough without the worry of buyers and sellers reneging on agreements.”*

Estate agents also support reform to the housing transaction process. One Estate Agent shared this example with me:

*“I was involved as an agent in a transaction many years ago. The vendors had instructed multiple agents and accepted three offers from three different buyers. None of us knew — only the vendors did, and possibly their lawyer. I got the sale, but the two unsuccessful purchasers were devastated. They had incurred legal fees, mortgage arrangement fees, booked removal companies, purchased furniture, and*

*more. One lady even asked if the new buyers would like the flooring she had ordered. It was disgraceful.”*

This example shows how, without legislation, sellers can mislead multiple buyers into believing they have secured a home — only for the sale to collapse. These actions create significant financial and emotional hardship.

Another estate agent created a video — before P.34/2025 was even lodged — advocating for the modernisation of Jersey’s transaction process and proposing financial penalties for parties who withdraw without a legitimate reason. The same Estate Agent argued that a financial penalty should be introduced to deter gazumping and gazundering.

### **The Human Cost**

These breakdowns are not just inconvenient — they can cause real harm. For example, **BBC Jersey** reported on *Verity O’Connel*, who was gazumped in 2019. After selling her home, she and her family, including a young child, were left temporarily homeless:

*“Our apartment had sold, and we had a young baby and so we had nowhere to go.”*

Ms O’Connel was unaware of the risks of gazumping, and no pre-sale agreement was in place to protect her:

*“This could be a huge potential blocker to people trying to get onto the property ladder. It’s about making sure people are aware and warned, because we certainly weren’t.”*

While the Council of Ministers refer to limited resources and competing priorities, it is deeply concerning to see no action taken on an issue that can lead to young families being left without a home.

### **The Current Housing Market**

Islanders are now more prone to being gazundered — where a buyer, after agreeing on a price, seeks to reduce it at a late stage, placing pressure on the seller to accept. Sellers may have already paid for surveys, arranged removals, or committed to another property, leaving them with little choice but to accept the lower offer.

Gazundering typically occurs during periods of economic slowdown, when buyers seek to exploit falling prices. Currently, with high credit costs, demand has dropped, creating a buyer’s market and increasing the risk of gazundering.

Gazumping was more prevalent in the past, when upward pressure in prices led sellers to accept higher offers after agreeing to a sale. Many islanders I engaged with reported more instances of gazumping than gazundering. But the market is cyclical — and as credit becomes more affordable, transaction volumes will rise again, increasing the risk of gazumping unless statutory pre-sale agreements are introduced.

## **Why Pre-sale Agreements Must Be Enshrined in Law**

We cannot continue to allow islanders to suffer financial loss and stress due to failures in the property transaction system. Thousands of pounds can be lost when transactions fall through, with no legal recourse.

Legislation must be introduced to protect both buyers and sellers, with penalties applied to any party that withdraws without a legitimate reason. Statutory pre-sale agreements for standard real estate transactions would deter both gazumping and gazundering. This is why I am proposing that a financial penalty is introduced and made payable should a buyer or seller withdraw from the property transaction process without a legitimate reason as recognised in Law.

I have heard directly from many islanders who have been affected from gazumping and gazundering, and this is why reform is overdue.

## **How Pre-sale Agreements Would Work**

Under the proposed system:

- Once a pre-sale agreement is signed, a fixed completion period is established, with an extension clause if needed.
- An exclusivity clause prevents the seller from accepting other offers.
- Estate agents and sellers would be prohibited from advertising the property after an agreement is signed.
- Sellers and agents must not mislead buyers. If they do, the buyer can withdraw without penalty.
- If either party withdraws without a legitimate reason, then the defaulting party would be required to pay a financial penalty.

## **What defines a standard real estate transaction:**

- Real estate transactions between a buyer and seller
- including off-plan development sales

## **Transactions not considered standard and therefore exempt from pre-sale agreements:**

- Inter-family or intra-company transactions
- Government or arm's-length body transfers
- Auctions or forced sales
- The transfer of shares owned in real estate
- Guest houses, hotels and other temporary accommodation transferred between buyers and sellers

**Legitimate exemptions** from paying the compulsory financial penalty fee would include:

- Mortgage denial following an adverse survey.

- Substantial damage to the property (e.g. fire or natural disaster).
- Chain collapses where a party was reliant on a preceding sale

### **Conclusion**

Jersey must modernise its property transaction system. Statutory pre-sale agreements are not a radical idea — they are a necessary reform to prevent financial and emotional harm.

Islanders deserve better protection, and the States Assembly has a responsibility to act. We can no longer ignore the damage caused by gazumping and gazundering. The States must stop deferring this issue and commit to delivering meaningful reform. We need to protect Islanders, and in doing so, requires legislation to enforce parties who withdraw from property transactions without legitimate reasons as is to be stipulated in Law should the proposition be passed.

### **Financial and staffing implications**

There will be a legislative drafting requirement within the legislative drafting team to bring into effect such legislation to establish Pre-sale agreements are in statute for standard real estate transactions.

### **Children’s Rights Impact Assessment**

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.