

Media Release – 24 January 2017

PURPLEBRICKS TO REPLICATE UK LOSSES IN AUSTRALIA

The chief executive of Australia's largest network of independent agents says the arrival of Purplebricks in Australia has failed to ignite consumer interest and that the company is on track to replicate the significant losses incurred on its home soil.

'Since its August 2016 launch, when more than a quarter of a million properties were listed for sale with Australian agents, Purplebricks has sold little more than 150 properties and currently has just 310 properties listed' said First National Real Estate chief executive Ray Ellis.

'By any measure, that represents a rejection of its "low cost" model and a market share smaller than 0.1 per cent'.

Purplebricks claims to be the third biggest agent in Britain by client instructions with a market share of 5 per cent, but in September the ABC's Media Watch reported just one in four UK customers give it a rating of one star out of five on its Facebook page. In contrast, 82 per cent of First National member agents in Australia achieve 5-star reviews.

'Australians have an entirely different view of property ownership and are focused on building wealth through property investment. They understand the extra value that a professional agent brings the marketing, negotiation and sale of property, and therefore continue to choose agents to maximise their sale price,' said Mr Ellis.

In 2016, Canstar Blue researched customer experiences with Australia's major real estate brands and announced that First National Real Estate was number one with the most satisfied customers. It was the only brand to achieve 5 star ratings, doing so in six separate categories, one of which incorporated value for money.

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Issued by: First National Real Estate

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