

## Professionals negotiate moral maze

Property professionals debate how to stamp out immorality in the industry. **Richard Heap** reports

If you look for immorality in property, you do not have to go far to find it. And if companies want to tackle it, they must stress to staff the need for professionalism.

These were two themes from a Money and Morals roundtable discussion on 11 November hosted by *Property Week* and Real Service. Attendees from the property and banking sectors criticised property practices such as "double running", whereby an agent acts for a seller and a buyer on a deal, and argued over whether more regulation could make a difference.

Research from the College of Estate Management and the RICS in September showed the recession has put more pressure on professionals in property to act unethically.

Alan Tapnack, executive director of Investec and the chairman of the Jewish Association for Business Ethics, said that double running was a problem for the industry because it is difficult to act in the best interests of both.

"In banking, we just don't do that. We act for

one or the other and, if they do insist we work for both, we put in a 'Chinese wall'. It is difficult," he said.

Hugh Seaborn, chief executive of Cadogan Estates, said the increasing dominance of large firms was giving rise to more instances of double running. Being up front about it helps.

"As a client, I want transparency, as that allows me to make a decision," he said.

Martin Fleishman, principal at Consultancy International, said professionals should not get involved in this type of situation: "I don't recommend it to anyone at all. It is best not to get involved if there is any situation with a conflict of interest," he said.

Another Money and Morals topic was firms paying managing agents and employees from property companies to win contracts.

"They're basically taking backhanders. There's some of this going on. More than we realise," said Fleishman.

He said the RICS or British Property Federation needed to take action on standards.



Liz Peace, chief executive of the BPF, responded: "Some of the principals do not take a firm enough view on how their agents behave."

Speakers agreed that stamping out immoral behaviour can only be achieved if the professionals at the top of property companies come up with their own standards and abide by them. As Rob Bould, chief executive at GVA Grimley, put it: "If your leaders aren't living by your values, then you'll never deliver them."

He said the way to improve professionalism is for a company to agree a set of written standards

and continue to reiterate them to staff.

Peter Hamilton, chairman of Christians In Property, said it was rare for staff compliance with a company's moral code to be monitored. He said regulation was not the answer: instead, staff needed to act with more personal integrity.

DTZ international director of professional services Paul Harding said standards were highest in property companies where staff respect each other.

"If you respect your colleagues and the people you deal with, then that takes you an awful long way," he said. ■

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