

Article contributed by Council for Estate Agencies

new regulator cea – transforming the real estate agency industry

It is no longer business as usual for the real estate agency industry in Singapore, as it leaves behind a largely unregulated system for one that is more professional and service-oriented.



With the inception of the Council for Estate Agencies (CEA) on 22 October 2010 and the new regulatory framework it administers, consumers can expect smoother property transactions in a burgeoning market that amounts to tens of billions of dollars annually.

Birth of the CEA

Indeed, home ownership rate in Singapore is possibly the highest worldwide, and the home property is the largest single investment most people will ever make. Thus it is vital that consumers receive the best possible advice and service in the process.

Estate agents and salespersons, serving consumers as middlemen in the property transactions, have a duty to be

professional and ethical, and act in the best interests of consumers.

However, the complaints lodged against estate agents and salespersons were rising in numbers for some years. Such complaints increased by almost 60% from 670 in 2005 to 1,070 in 2009.

Some of the complaints were due to miscommunication with the salespersons or unrealistic expectations. Nevertheless, industry black sheep were placing clients into serious consequences through their unethical and errant actions.

However, the previous system lacked empowerment to investigate into complaints and take action against them,

and consumers might not be able to take action against unscrupulous agents and salespersons.

In response, a comprehensive year-long review by the Ministry of National Development (MND) led to Parliament's passing of the Estate Agents Bill 2010 on 15 September 2010, under which the CEA was established as a statutory board of the Ministry.

Key to CEA's establishment were extensive consultations with the industry and public, who gave many useful suggestions towards the new regulatory framework.



Photo courtesy of Ministry of National Development

What the CEA does

More than just licensing estate agents and registering salespersons, the CEA spearheads a three-pronged regulatory approach: effective government regulation, stronger industry development, and perhaps most importantly, better consumer prudence and education.

CEA's roles include:

- Administer the licensing regime for estate agents, including the registration of salespersons applied through licensed estate agents
- Regulate and control the practice of estate agents and salespersons in estate agency transactions
- Promote the integrity and competence of estate agents and salespersons through the Code of Practice, and Code of Ethics and Professional Client Care
- Develop measures to equip consumers with the necessary knowledge to conduct their real

estate transactions prudently and with due diligence

- Conduct investigation and disciplinary proceedings in relation to offences and unsatisfactory conduct or misconduct in relation to estate agency work
- Administer the examination and continuing professional development framework

Firstly, effective regulation ensures that estate agents and salespersons fulfil the "fit & proper" criteria, and allows for investigation and disciplinary action including prosecution against errant practitioners.

CEA's introduction of the Code of Ethics and Professional Client Care, as well as the Practice Guidelines such as on ethical advertising, serves as a beacon for industry professionals to operate ethically, thus safeguarding consumer interest.

Greater accountability is now also expected of the industry, as estate agents become primarily responsible and accountable

for their salespersons. Key changes introduced include a registration scheme for salespersons, and that they represent just one estate agent at any one time.

Secondly, the implementation of examinations and industry development programmes help to ensure that practitioners possess the required level of competency to enter the industry and continuously uplift their professional knowledge and skills through training programmes.

The third thrust, consumer education, helps consumers like you to equip yourselves with knowledge and exercise due diligence in handling property transactions smoothly and prudently.

Empowering the consumer

One consumer-focused initiative is CEA's Public Register, with which you can make an informed decision when choosing an estate agent or salesperson. Information

on licensed estate agents and registered salespersons, such as licensing and registration details, disciplinary actions and awards, can be conveniently accessed from CEA's website www.cea.gov.sg.

Another is the launch of the Council's first educational brochure, "Consumer Tips for Engaging a Real Estate Salesperson". It provides introductory information and practical tips for engaging the services of real estate salespersons in property transactions. More brochures are being planned to introduce consumers to various aspects of handling their transactions when engaging a real estate salesperson.

You can also join educational talks by CEA at seminars organised by CEA's partner organisations like the Housing and Development Board (HDB), Consumers Association of Singapore (CASE) and Central Provident Fund Board (CPF Board).

CEA is also appraising the landscape through a public perception survey that commenced in end March 2012. This survey measures the baseline public

perception of the industry and the results will go toward the fine-tuning of CEA's policies and programmes to raise the level of professionalism and service quality in the industry.

And besides upcoming consumer guides, advertisements and forums, in the pipeline is a mobile app that will give you ready access to the Public Register on the go.

The transformation process is just beginning. You as a consumer can play your role together with the industry and the government in enabling your property transactions to proceed smoothly, and in the process, help make the real estate agency industry a better one.

If you have any feedback/complaint, you may contact or visit CEA:

Hotline: 1800 643 2555 (toll free)

Fax: 6643 2575

Email: feedback@cea.gov.sg

Website: www.cea.gov.sg

Address: 490 Lorong 6,
Toa Payoh #05-10,
HDB Hub Biz 3
(Lift Lobby 1)
Singapore 310490

Opening hours:

Monday to Friday 8.30am to 5pm.
Closed Sat, Sun and
public holidays

