



EMBRACING
HANGE

ANNUAL REPORT 2016/17

Contents

Vision & Mission	01
Joint Message	02
Council Members	06
Senior Management	08
CEA Committees	10
Who We Are	14
Organisational Chart	15
Raising Professionalism Partnering for Change	16
Fair Regulation Firm Enforcement	22
Building Confidence Expanding Outreach	28
Enhancing Processes Developing Our People	34
Financial Statements	39

Our Vision

A professional and trusted real estate agency industry

Our Mission

To raise the professionalism of the real estate agency industry and safeguard consumer interest

Three Broad Strategies

- 1 Regulate effectively to foster a well-disciplined real estate agency profession
- 2 Collaborate with the industry to spearhead industry development
- 3 Educate consumers so they can make informed decisions in property transactions involving the services of property agents

Joint Message



“The increasingly complex and challenging environment highlights the importance of CEA’s mission to raise the professionalism of the real estate agency industry and safeguard consumers’ interests.”

EMBRACING CHANGE

Sweeping changes have been taking place in various industries such as retail, transport, and travel. Brought about by technological innovations, these shifts have transformed our lifestyles and behaviours.

The real estate agency industry had until recently not been at the centre of digital disruptions. The industry is now witnessing an increase in online offerings and more service options for consumers looking at buying, selling, or renting properties.

Property data and convenient tools are readily available online. Consumers in turn are showing greater interest in managing property transactions on their own. Some have become more selective in the services they require rather than engaging the full services of property agents.

Property agencies and portals alike have picked up on the trend and have started to innovate their services to meet this demand.

A quick scan reveals there are now around 15 portals that offer such differentiated services compared to virtually none when CEA was first formed.

Some enable consumers to conduct their entire property transactions online without the need for a property agent, while others allow consumers to opt for an agent’s services for selected parts of the transaction.

A RETHINKING OF ROLES

There are reassuring signs that the industry is making good progress on raising professionalism and focusing more on client-centricity.

The findings from CEA’s 2015 Public Perception Survey found that close to eight in 10 respondents were satisfied with their property agents’ services. Complementing this positive feedback is the downward trend in the number of complaints CEA received against the industry in past years.

However, in view of technological disruptions plus changing consumer behaviours and preferences, how can the real estate agency industry remain relevant?

Apart from continuing to raise professionalism, improve productivity, and enhance client-centricity, the industry must rethink the services it offers to clients, and the manner in which they are delivered.

Property agencies must constantly review their business models, processes, and procedures to work more productively and serve their customers better. They can look at tapping technology and innovating to add value to their clients’ experiences and exceed their expectations.

For many Singaporeans, buying or selling a property is one of life’s most important decisions. There will always be consumers who prefer the “human touch”, and choose to engage property agents for their market knowledge and facilitation services. Hence, there will still be a demand for property agents and opportunities for estate agency work.

Consumers will expect their agents to provide them with information or services that are directly relevant to their personal preferences and situations. Property professionals must therefore look at how they can better focus on their clients, and provide personalised services that cannot be delivered by machines.

Most importantly, being a service industry, trust is critical. Property agencies must put in place processes and systems that engender trust in their clients. This would mean strengthening their

organisational capacity and structures for better supervision of their agents in order to maintain high ethical standards and demonstrate strong professional competence.

On their part, agents must endeavour to move from being sales-centric to customer-centric. It will be critical for agents to develop a good appreciation of their clients’ needs, understand their unique situations in the property transaction, and cultivate strong relationships based on trust.

REWINDING UP FOR TRANSFORMATION

Adopting new mental models and overcoming the inertia to change are challenging. But CEA is committed to help the industry navigate this new terrain.

We are supporting the Ministry of National Development’s effort to work with other government agencies and the real estate industry to develop the Real Estate Industry Transformation Map (ITM) to meet future challenges.

“Property agencies must constantly review their business models, processes, and procedures to work more productively and serve their customers better. They can look at tapping technology and innovating to add value to their clients’ experiences and exceed their expectations.”

The Real Estate ITM is one of 23 ITMs to transform Singapore’s various industry sectors. The Real Estate ITM looks at synergies across the real estate value chain of which the estate agency industry is an important component.

The ITM will involve three broad thrusts:

- Raising productivity and streamlining processes;
- Helping businesses scale-up and take advantage of new growth areas, and supporting them in expanding to overseas markets; and
- Equipping workers with the right skills.

The estate agency industry’s active involvement is critical in its transformation to ensure it remains relevant to clients. CEA has started to and will continue to engage and consult the industry this year on the Real Estate ITM issues, ideas, and possibilities.

Many exciting ideas have been surfaced so far. An example is improving the efficiency in property transaction processes across the real estate value chain. We look forward to more ideas from the industry, and more importantly, involving the industry actively in the implementation of such ideas.

At the same time, we encourage property agencies to identify competency gaps and invest in their agents’ training and development. This ensures that Key Executive Officers and

property agents not only keep abreast of the latest knowledge and skills, but are also equipped to handle the increasingly disruptive business environment.

Going forward, we will work together with the industry to review the Continuing Professional Development framework to ensure that courses and programmes continue to provide relevant professional training to property agents. The aim is to help enable agents deliver higher value-add services to their clients. We will also work with course providers to improve on content delivery.

CHANGE FROM WITHIN

The increasingly complex and challenging environment highlights the importance of CEA’s mission to raise the professionalism of the real estate agency industry and safeguard consumers’ interests.

During the past year, we continued to build on our fundamentals. We worked on strengthening our regulatory frameworks and processes. We deepened our ongoing engagements to raise professional standards in the industry. We explored new platforms to instil a mindset amongst consumers that they too need to take shared responsibility for their property transactions.

Even as we encourage the industry to embrace change, we are undergoing an internal transformation ourselves. We will continue to build on the efforts from our Business Process Reengineering exercise by further simplifying and streamlining our workflows to become more mission- and customer-focussed.

We will also continue to identify and build new competencies to remain relevant and for our staff to be effective amidst a changing real estate agency industry. Promoting a learning mindset that encourages innovation will be a priority to drive corporate improvement and excellence.

MANY HANDS AT WORK

CEA has enjoyed the strong support and contributions of many individuals and partners during the past year.

We would like to especially thank our former and inaugural Council President Mr Greg Seow for his visionary leadership and mentorship of CEA since our establishment and during our formative years.

We also extend our appreciation to our former Council members and members of our voluntary Committees who stepped down last year for their guidance and sterling service.

As for our new Council and Committee members, we warmly welcome them to the CEA family and look forward to their counsel as we navigate new frontiers together.

The feedback and support from our industry partners have been invaluable to us. We are committed to strengthening our engagements with them as we tackle challenges together.

Last but not least, we would like to thank the CEA team for its hard work and strong spirit of purpose. This has become more important than ever as we move forward to help the industry to transform and at the same time, to transform CEA.



Quek See Tiat
President



Lee Kwong Weng
Executive Director

Council Members



01

PRESIDENT
01 **Quек See Tiat**

02 **Lee Kwong Weng**
Executive Director
Council for Estate Agencies



03

03 **Ms Pauline Goh**
Chief Executive Officer
CBRE Singapore &
Southeast Asia

04 **Harrif Bin Hambali**
Consultant
Asian Leaders Institute Pte Ltd



05

05 **Loy York Jiun**
Executive Director
Consumers Association of
Singapore

06 **Ng Boon Yew**
Executive Chairman
Raffles Campus Pte Ltd



02



04



06



07

07 **Mrs Deborah Ong**
Partner
PwC Singapore

08 **Sin Lye Chong**
Group Director, Land Sales &
Administration Group
Urban Redevelopment Authority



09

09 **Michael Tan**
Executive Director & Key
Executive Officer
OrangeTee.com Pte Ltd

10 **Ms Tan Pei Shan**
Director, Energy Division
Ministry of Trade and Industry



11

11 **Derrick Wong**
Partner
Derrick Wong & Lim BC LLP

12 **Yap Chin Beng**
Deputy Chief Executive Officer
(Estate & Corporate)
Housing & Development Board
(until 24 July 2017)



08



10



12

Senior Management



01

01 Lee Kwong Weng
Executive Director



03

03 Heng Whoo Kiat
Director
(Policy & Licensing)



05

05 Ms Chye Hui Sze
Director
(Corporate Communications &
Public Outreach)



02

02 Chan Mun Kit
Deputy Executive Director



04

04 Chan Kwok Cheong
Director
(Investigation & Inspection)



06

06 Ms Chew Suet Fun
Director
(Corporate Development)



07

07 Ms Chua Geck Siang
Deputy Director
(Business Process Review
Project Management Office)



09

09 Ms Chia I-Ling
Deputy Director
(Policy & Planning)



11

11 Joseph Kiong
Deputy Director
(Investigation)



08

08 Soh Cheng Hwee
Deputy Director
(Licensing)



10

10 Timothy Kho
Deputy Director
(Legal)



12

12 Desmond Yeo
Deputy Director
(Inspection & Compliance)

CEA Committees

Audit Committee

CHAIRPERSON

Mrs Deborah Ong

Partner
PwC Singapore

MEMBERS

Yap Chin Beng

Deputy Chief Executive Officer (Estate & Corporate)
Housing & Development Board
(until 24 July 2017)

Ms Tan Pei Shan

Director, Energy Division
Ministry of Trade and Industry

Disciplinary Panel

HEAD

Derrick Wong

Partner
Derrick Wong & Lim BC LLP

MEMBERS

Dr Tan Tee Khoon

Managing Director
KF Property Network Pte Ltd

Yong Kwet Leong

Key Executive Officer
Assets Consultancy Enterprise
Pte Ltd

Victor Lee Chay Pin

Senior Partner
Chambers Law LLP

Ms Yashodhara Dhoraisingam

Advocate & Solicitor

Tan Hee Jeok

Partner
Tan See Swan & Co

David Huan

Principal Trainer
Benchmark Realpro Pte Ltd
Senior Group Division Director
SLP Realty Pte Ltd

Assoc Prof Chin Tet Yung

Faculty of Law
National University of Singapore

Prof Teo Keang Sood

Faculty of Law
National University of Singapore

Felix Chua

Key Executive Officer
Cyberhomes Estate Agencies
Pte Ltd

Dennis Yeo Huang Kiat

Managing Director
Asia (Industrial and Logistics)
CBRE Pte Ltd

B Rengarajoo, PBS

Principal
B Rengarajoo & Associates

Michael S Chia

Director
MSC Law Corporation

Peter Koh Hock Guan

Key Executive Officer
Gateway Property Consultants
Pte Ltd

Goh Peng Thong

Director
AWP Pte Ltd

Er Jacqueline Chan

Managing Director
DSCO Group Pte Ltd

Er Ling Shiang Yun

Partner
Tham & Wong LLP

A.P.M. Ferlin Jayatissa

Senior Lecturer
School of Law
SIM University
Head of Litigation & Consultant
Lexcompass LLC

Ter Kim Cheu

Retired Parliamentary Counsel

Tan Hong Boon

Regional Director, Investments
Jones Lang LaSalle Property
Consultants Pte Ltd

CEA Committees

Human Resource & Finance Committee

CHAIRPERSON

Quek See Tiat

President
Council for Estate Agencies

MEMBERS

Lee Kwong Weng
Executive Director
Council for Estate Agencies

Sin Lye Chong
Group Director
Land Sales & Administration Group
Urban Redevelopment Authority

Select Committee

CHAIRPERSON

Quek See Tiat

President
Council for Estate Agencies

MEMBERS

Lee Kwong Weng
Executive Director
Council for Estate Agencies

Mrs Deborah Ong
Partner
PwC Singapore

Ng Boon Yew
Executive Chairman
Raffles Campus Pte Ltd

Harrif Bin Hambali
Consultant
Asian Leaders Institute Pte Ltd

Derrick Wong
Partner
Derrick Wong & Lim BC LLP

Professional Development Committee

CHAIRPERSON

Ng Boon Yew

Executive Chairman
Raffles Campus Pte Ltd

DEPUTY CHAIRPERSON

Michael Tan

Executive Director and
Key Executive Officer
OrangeTee.com Pte Ltd

MEMBERS

Prof Tang Hang Wu
Director
Centre for Cross Border
Commercial Law in Asia
School of Law
Singapore Management
University

Assoc Prof Sing Tien Foo
Deputy Head
Administration and Finance
Department of Real Estate
National University of Singapore

Ms Catherine Thoo Sin Ling
Course Chair
(Real Estate Business)
School of Design and
Environment
Ngee Ann Polytechnic

Ms Edith Tay
Director and
Key Executive Officer
Property Bank Pte Ltd

Er Lim Peng Hong
Managing Director
PH Consulting Pte Ltd

Sieow Teak Hwa
Key Executive Officer
Teakhwa Real Estate Pte Ltd

Mrs Ong Choon Fah
Chief Executive Officer
Edmund Tie & Company (SEA)
Pte Ltd

Ms Quek Lee Kiang
Business Editor
Lianhe Zaobao

Darius Cheung
Chief Executive Officer
99.co

Augustine Tan
President
Real Estate Developers'
Association of Singapore
Executive Director
Property Sales &
Corporate Affairs
Far East Organization

Eugene Lim
Key Executive Officer
ERA Realty Network Pte Ltd

Who We Are

The Council for Estate Agencies (CEA) was established as a statutory board on 22 October 2010 to regulate and develop the real estate agency industry.

In pursuit of its mission to raise the professionalism of the real estate agency industry and safeguard consumer interest, CEA focuses on three strategic thrusts: effective regulation, industry development and consumer education.

For effective regulation of the industry, CEA administers the licensing of property agencies and registration of property agents, and regulates the practice of property agencies and agents in property transactions. It also conducts industry compliance checks and investigations, as well as disciplinary proceedings in respect of offences and unsatisfactory conduct or misconduct in relation to estate agency work.

CEA works closely with the industry to raise professionalism, expand capabilities and promote business excellence. It administers the mandatory examination and continuing professional development framework as well as appoints course providers.

It identifies opportunities and fosters collaborations with strategic partners in industry development programmes to achieve business productivity.

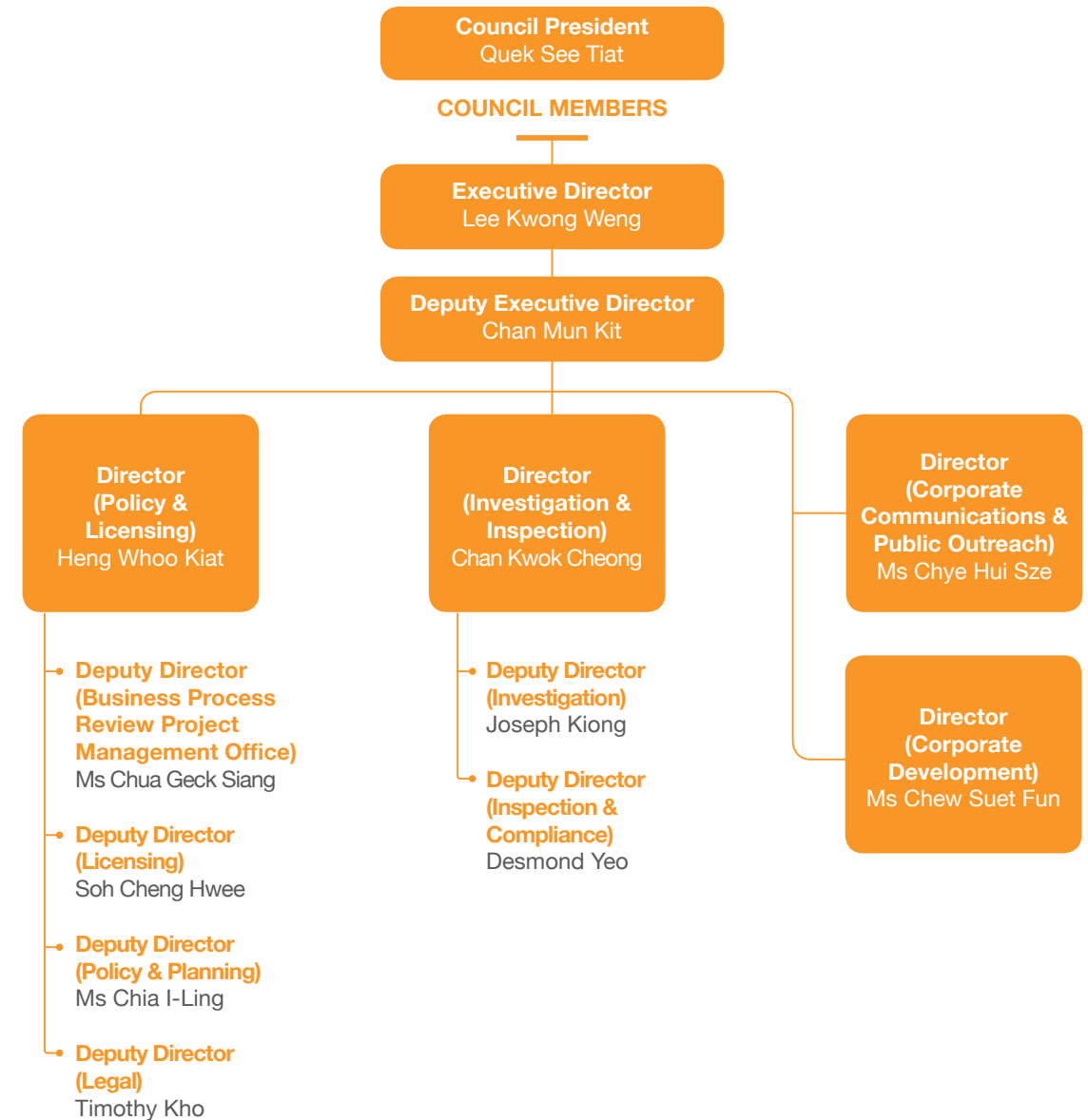
To project the interests of consumers, CEA plans and implements public education programmes to equip consumers with the necessary information to make informed decisions in property transactions involving the services of property agents. It facilitates access to consumer resources and provides channels for complaints and dispute resolution.

CEA is governed by a Council that comprises professionals and academicians from sectors related to the real estate agency industry, as well as representatives from government agencies involved in the administration of the property market.

The Council advises and provides strategic guidance to the management of CEA to meet its objectives. The Council is assisted by five Committees - Audit Committee, Disciplinary Panel, Human Resource & Finance Committee, Professional Development Committee, and Select Committee.

Organisation Structure

As at 31 July 2017





RAISING PROFESSIONALISM
PARTNERING FOR CHANGE

AN INDUSTRY IN TRANSITION

The real estate agency industry is operating in a very different environment than when it was first brought under CEA's regulatory regime in 2010.

Technological innovations have offered businesses new ways to improve productivity, efficiency, and service delivery. We have observed that local property agencies and new entrants are providing more choices in estate agency services to consumers through property portals.

At the same time, consumers' lifestyles and preferences in handling their property transactions are also changing. CEA's 2015 Public Perception Survey findings revealed that about a third of consumers polled were undecided about engaging a property agent for future transactions, more than the previous survey in 2012.

This evolving environment could be one of the reasons behind the slight consolidation in the real estate agency industry over the past three years where numbers of property agencies and agents have been decreasing.

Number of property agents and agencies			
	As at 1 Jan 2015	As at 1 Jan 2016	As at 1 Jan 2017
Number of property agents	30,830	29,262	28,397
Number of property agencies	1,369	1,369	1,286

Breakdown of property agencies by size			
Size of property agency	No. of property agencies as at 1 Jan		
	2015	2016	2017
>500 agents	11	11	9
51-500 agents	22	22	23
31-50 agents	24	16	10
11-30 agents	71	65	58
1-10 agents	1,241	1,255	1,186
Total	1,369	1,369	1,286

TRANSFORMING FOR SUSTAINED SUCCESS

It was against this backdrop that CEA worked with the Ministry of National Development (MND) and various government agencies to review the real estate agency industry in early 2016.

The key aims of the review were to identify avenues to uplift professionalism and promote customer-centricity within the real estate agency industry, as well as to improve customers' property transaction experiences.

As part of the review, we studied regulatory bodies and practitioners in the United Kingdom, United States, and Japan to keep abreast of developments taking place overseas.

Subsequently, MND and CEA expanded this initial review of the real estate agency industry to a much broader review of the real estate industry.

The government recognised that the real and growing impact of digital disruptions and economic volatility have created a pressing demand for subsectors across the real estate industry value chain to consider new and better ways of doing things in order to seize opportunities and thrive.

Thus, Dr Koh Poh Koon, then Minister of State for National Development and Trade and Industry, announced that MND and CEA, together with various government agencies, will work together with key stakeholders to develop the Real Estate Industry Transformation Map (ITM).

He explained that the aim was to create a resilient and future-ready real estate sector that will continue to provide good jobs for Singaporeans.



Senior Minister of State for National Development and Trade & Industry Dr Koh Poh Koon at a REITM dialogue with industry stakeholders. (Photo: MND)

In his speech at MND's Committee of Supply debate in March 2017, Dr Koh laid out the three broad thrusts for the Real Estate ITM:

- Raise productivity and streamline processes;
- Help businesses scale up and take advantage of new growth areas, and support them in expanding to overseas markets; and
- Equip workers with the right skills.

COLLABORATION IS KEY

The recommendations of the Real Estate ITM will concern the industry's ability to transform in order to tackle disruptive forces and meet future demands from clients.

MND and CEA have thus started consulting and engaging stakeholders from across the real estate value chain to collectively develop this roadmap for the industry.

Stakeholders include property agencies and agents, developers, industry associations, conveyancing firms, valuation firms, property and facility management companies, property portals, tech firms, and consumer groups.

Through various engagement platforms including interviews and dialogues, MND and CEA have been gathering views from stakeholders on how the real estate industry can transform, innovate, and raise productivity in the midst of a rapidly-changing technological and economic climate.

One such engagement session was hosted by Dr Koh Poh Koon, Senior Minister of State for National Development and Trade and Industry. Stakeholders touched on how the industry can embrace new technology to help them become more productive. There were also discussions on how we can further raise the accountability and transparency of property agents to maintain trust with consumers.

In addition, the dialogue participants gave their take on the challenges in growing revenue and

becoming more labour-efficient in an evolving operating environment. Among the ideas generated was how the industry can deepen internationalisation efforts to increase its value add to the economy and create better jobs.

Going forward, an Industry Tripartite Committee will bring together representatives from the government, businesses, and unions to further deliberate on the Real Estate ITM recommendations.

We will continue to engage with stakeholders as we formulate the Real Estate ITM. The views we receive will be incorporated into the ITM's development, and will help us refine its concept and detail its implementation.

The Real Estate ITM is one of 23 ITMs being developed under the government's Industry Transformation Programme.

The Committee on the Future Economy highlighted the development of ITMs as one key strategy to position Singapore's economy for the future. In its report released in February 2017, the Committee said that the 23 roadmaps will cover about 80 per cent of the economy by the end of 2017 and early 2018.

DEEPENING ENGAGEMENTS WITH THE INDUSTRY

As we sought our stakeholders' views on macro issues facing the real estate industry as part of the ITM, we also expanded our ongoing regular engagement efforts to seek feedback on matters relating directly and uniquely to property agencies and agents.

Over the last financial year, we reached out to more Key Executive Officers (KEOs) and agents across property agencies of different sizes and specialisation areas, and kept conversations going between the industry associations and ourselves.



CEA reaches out regularly to KEOs, agents, and industry associations to seek ground feedback.

During these sessions, we shared with participants some of the policies or initiatives that we are exploring or reviewing, and invited them to give their feedback and suggestions.

The topics discussed ranged from local compliance matters to greater concerns impacting the industry locally and globally. These included disruptive technological influences, anti-money laundering measures and efforts in countering the financing of terrorism.

The insights and views arising from dialogue sessions and focus group discussions are invaluable to CEA. With greater clarity on industry's needs and concerns, we can refine our policies and practices so that they are well-grounded and more enterprise-centric.

ENHANCING COMPETENCIES OF NEW ENTRANTS

A common thread emerged from our dialogues with the industry: property agents can still have a role to play even amidst technological advances – but they must serve their clients better by adding value to their clients' experiences. This would mean going beyond simply closing transactions to tapping technology to provide seamless services,



(Photo: Singapore Estate Agents Association)

offering sound, professional advice, and building meaningful relationships with clients.

We believe that a strong core of knowledgeable, competent, and tech-enabled agents working in the best interests of their clients is important in strengthening consumer confidence and trust in the profession.

Entry requirements and qualifying criteria, as well as mandatory examinations are part of CEA's efforts ensure that new entrants to the real estate agency industry are equipped with the requisite skills and are familiar with current property regulations to meet their clients' needs. Newcomers are required to attend a Real Estate Agency or Real Estate Salesperson course before sitting for compulsory examinations.

In June 2016, we reorganised the Real Estate Salesperson examination syllabus so that candidates are assessed on related topics in the same paper. This change took effect from 1 January 2017.

In the coming year, we will be reviewing the Real Estate Agency examination syllabus. This is to ensure that it remains relevant with industry requirements and practices.



The new CPD microsite encourages industry professionals to take greater responsibility over their own development.

SUPPORTING INDUSTRY PROFESSIONALS ON THEIR LEARNING JOURNEYS

Another key strategy of CEA's effort to raise professional standards in the industry is the Continuing Professional Development (CPD) framework.

The framework ensures that agents upgrade themselves and keep abreast of the latest changes in policies and procedures relating to real estate transactions. Every agent must undertake a minimum number of credit hours of learning activities in each calendar year. Fulfilling this minimum CPD hours is a condition for licence and registration renewal.

To encourage industry professionals to take greater responsibility over their own professional development, we launched a new CPD microsite in April 2016.

The CPD microsite will provide greater convenience to KEOs and property agents in managing CPD administrative matters, as well as

monitoring and planning training needs. It was designed and developed in consultation with the industry, CPD course providers, and industry associations.

We will progressively implement more features in the CPD microsite. When it was first launched, the portal provided quick access to information on the CPD scheme and courses. Users were also able to give qualitative feedback on courses they attend.

In March 2017, we rolled out a suite of e-services to KEOs via the My CPD Portal. Through the portal, KEOs are able to:

- Check if their agents have clocked the required CPD credit hours and fulfilled the attendance requirements for core courses;
- Update the attendance records of their agents;
- View upcoming courses to plan their training schedules; and
- Rate the courses that they have attended.

CEA is now working to extend the e-service to property agents.



CEA worked with industry associations to introduce certificate courses on the marketing of commercial, industrial, and foreign properties. (Photo: Institute of Estate Agents)

ENCOURAGING UPSKILLING

To further support industry professionals in their pursuit of professional knowledge and service excellence, CEA works with course providers to refresh the CPD course menu regularly and introduce new courses on emerging trends and industry best practices.

In the year, CEA worked with the Institute of Estate Agents, Singapore, the Singapore Estate Agents Association, and the Singapore Institute of Surveyors and Valuers to introduce certificate CPD courses on the marketing of commercial, industrial, and foreign properties.

The three industry associations run these courses to help property agents become more well-versed in these markets and serve their clients better. Each certification course has five 3-hour modules and an assessment component to reinforce understanding and knowledge retention.

A key focus area for CEA in the coming year is to review the content and raise the standards of CPD courses. Feedback from the industry will help CEA evaluate the effectiveness of our current courses and introduce new courses on emerging topics of relevance. We will also be working with course providers to improve on content delivery.

TAPPING DIVERSE EXPERTISE

Towards the end of 2016, the CEA Council appointed members to a new Professional Development Committee formed to advise CEA on licensing and professional matters. The Committee's views will enable us to refine our processes and policies so as to further raise standards and professionalism of industry.

The new Committee replaces the former Licensing & Practice Committee, and the Examinations & Professional Development Committee.

Besides the Professional Development Committee, the CEA Council appointed new members to four other committees: Audit Committee, Disciplinary Panel, Human Resource & Finance Committee, and the Select Committee.

Members of CEA's committees comprise Council members, professionals, and academicians with strong expertise in the real estate agency and property related sectors, as well as members of the legal profession and media.

The five Committees assist the Council in guiding CEA in pursuit of our mission by providing diverse views and recommendations to tap current and future opportunities, and meet the challenges in our operating environment.

In recognition of their valuable service and contributions towards our work, CEA held an appreciation lunch in September 2016 to thank our partners who had served in CEA's committees.



CEA is grateful to our many partners from the real estate agency and other related sectors for their invaluable service and contributions towards our work.



CEA conducts proactive compliance checks to ensure that the work carried out by property agencies and agents adhere to rules and guidelines.

COLLECTIVE STAND AGAINST MONEY LAUNDERING AND TERRORISM FINANCING

The real estate agency industry has an important responsibility to help counter the global threat of money laundering and terrorism financing through property transactions.

Singapore is a member of the Financial Action Task Force (FATF), an inter-governmental body that develops standards for combating money laundering, terrorism financing, and other related threats to the integrity of the international financial system.

As part of Singapore’s obligation as a FATF member, CEA has been working closely with other government agencies and the real estate agency industry to implement measures to prevent money laundering and terrorism financing.

We continuously enhance awareness, understanding, and implementation amongst industry professionals of the emerging compliance requirements and preventive measures against such activities that might inadvertently be conducted through property transactions.

CEA has issued circulars to remind the industry about the available resources they can tap to comply with customer due diligence requirements and the filing of suspicious transaction reports.

Apart from our industry-wide outreach efforts, we also engaged groups of property agencies to familiarise them with the anti-money laundering and countering financing of terrorism requirements and guide them on compliance matters. We will conduct more of such sessions in the coming year.



CEA has been working closely with other government agencies and the real estate agency industry to implement measures to prevent money laundering and terrorism financing.

In addition, we will be enhancing our regime next year to better align with FATF’s recommendations, including reviewing the Practice Circular on Prevention of Money Laundering and Countering the Financing of Terrorism. The aim is to further strengthen the professional and ethical standards in the real estate agency industry.

ALWAYS VIGILANT

We continued to conduct regular and proactive inspections and field surveillances on property agencies and at property events. This is to ensure that the work carried out by property agencies and agents adhere to rules and guidelines, and that estate agency work is being carried out by licensed entities and registered persons.

We also took firm enforcement action against errant companies and individuals who breached the Estate Agents Act and the Regulations.

Here are some prominent disciplinary cases that were concluded this year.

Agency receives fine and condition imposed on licence to conduct collective sale work

In April 2016, CEA’s Disciplinary Committee sentenced HSR International Realtors Pte Ltd (HSR) to a financial penalty of \$74,000 and imposed a condition on their licence. HSR was disallowed from undertaking any collective sale work for one year starting 20 April 2016.

HSR, which was appointed the marketing agent for the collective sale of Thomson View Condominium in September 2010, had offered incentive payments to four subsidiary proprietors to sign the Collective Sale Agreement. The incentives included offers of cash payments and air ticket reimbursement. This brought about a conflict of interest on the part of HSR.

Former agent fined for handling \$93,000 in transaction monies – largest amount since 2010

In September 2016, the Court convicted former property agent Goh Chung Yong for handling monies amounting to \$93,000.

Among the property agents that the CEA has prosecuted for handling monies so far, this is the largest amount of monies that a property agent has handled.

Goh's client had passed him the monies, trusting him to pay the conveyancing lawyers handling a new flat purchase. However, Goh used the money to pay off loan sharks and lied that the money had been stolen from his car. Goh was sentenced to a \$10,000 fine.

Heaviest fine meted out for unlicensed estate agency work

In December 2016, the Court convicted a property management company and its sole director for unlawfully conducting estate agency work without being licensed by CEA.

Franks Property was fined \$115,000, while its sole director, Lim Koon Heng, was fined \$100,000. The fines are the heaviest meted out by the courts to a company and an individual for unlicensed estate agency work so far.

Both Lim and his company each pleaded guilty to three out of nine charges. The proceeded charges that arose from three property transactions involved a total commission amount of \$94,976.64. This is also the highest amount of commission collected by an unlicensed estate agency that the CEA has prosecuted.

Prior to the CEA's formation, Lim and/or Franks Property held a House Agent Licence issued by the Inland Revenue Authority of Singapore. However, after the CEA was set up in October 2010, all property agencies and agents were required to be licensed and registered with CEA before they can carry out estate agency work. However, Lim and Franks Property did not do so.

Agent and agencies taken to task on foreign property deals

In October 2016, the Disciplinary Committee imposed financial penalties on a property agency and property agent for the sale and marketing of Albany Heights Villas, a property in New Zealand. The Disciplinary Committee sentenced SQFT Global Properties Singapore to a financial penalty of \$10,000 for failing to supervise Paleenia Wong Mui Wah, who was its property agent then, regarding the conduct of her estate agency work. Wong was sentenced to a financial penalty of \$6,000.

Wong had misrepresented to an investor that the NZ\$65,000 to be paid by the investor to purchase a unit in Albany Heights Villas would be kept safe in a law practice's trust account for the construction of the property. She also misrepresented to the investor that the developer would not be able to use the money in the trust account for other purposes. The representation turned out to be false as the developer took money from the trust account without any construction having started on the property.

In December 2016, the Disciplinary Committee sentenced Square Yards Singapore to a financial penalty of \$7,500 for failing to provide an investor with written advisory message which would have drawn his attention to the risks involved in purchasing foreign properties.

The investor had purchased a property in North Dakota, United States, at US\$74,950 through Square Yards. He made partial payment of US\$33,982.50 to the US developer in 2014 but was unable to recover the sum after the developer was charged for alleged fraudulent activities.

Besides the financial penalty, the Disciplinary Committee also imposed a condition to Square Yards' licence that it is not to market or transact in any foreign property for six months with effect from 1 March 2017.



A new workgroup comprising industry professionals will develop new guidelines to provide greater clarity on how property agencies should manage their businesses and supervise their agents.

EQUIPPING INDUSTRY PROFESSIONALS WITH CURRENT KNOWLEDGE

CEA issues practice guidelines to update industry professionals on regulatory changes and provide clarity on the actions and responsibilities expected of them in the delivery of services to their clients. These are reviewed on an ongoing basis to take into account new industry developments and trends.

The Professional Service Manual (PSM) was first issued in 2014 as practice guidelines for property agencies and agents. It seeks to set clear standards and guidelines to ensure property agents render their services competently, professionally and ethically, thus promoting open, fair and honest property transactions. It also highlights the responsibilities and duties that property agents must pay attention to when carrying out estate agency work in both the sale and leasing of properties.

The industry landscape has evolved considerably since the PSM's launch. In addition, CEA has further refined our policies to be in tandem with new industry developments and practices.

We will therefore be setting up a Professional Practice Manual workgroup comprising industry professionals and other relevant parties to consolidate all current and upcoming practice guidelines and the PSM into a single document. This compilation will also include new guidelines to facilitate industry compliance with the Code of Practice for Estate Agents. These new guidelines will provide greater clarity on how property agencies should manage their business and supervise their agents. This extensive exercise will be held in close consultation with our stakeholders.

CEA will also be reviewing the Practice Guidelines on Marketing of Foreign Properties. These will guide the actions and conduct of local property agencies and agents when marketing or facilitating the sale of foreign property in Singapore.

In addition, to offer practical and applicable tips to industry professionals, CEA shared lessons learnt from disciplinary cases to remind property agents on their obligations to their clients through our e-newsletter, *CEAenergy*.



**CUSTOMER
FEEDBACK
PROFESSIONALISM
PRODUCTIVITY
INNOVATION
ACCOUNTABILITY
EXCELLENCE**

We revamped our complaint and feedback management workflows to achieve greater productivity and a more streamlined process for CEA and the industry.

We distilled key learning points from the disciplinary cases and explained how scenarios could have been handled. For example, the SQFT Global Properties and Square Yards cases were used to highlight the due diligence checks that property agencies should do prior to the marketing and sale of foreign properties.

STREAMLINING WORKFLOWS FOR GREATER PRODUCTIVITY AND EFFICIENCY

CEA assesses and investigates complaints thoroughly through a systematic complaint management process. This allows us to take appropriate enforcement actions against substantiated cases.

In the past year, we revamped our complaint and feedback management workflows to achieve better resource utilisation, improved productivity, and a more streamlined process for CEA and the industry.

Since 1 June 2016, CEA officers assess and prioritise complaints upon receipt, identifying service related lapses from disciplinary matters.

For minor service lapses by property agents, CEA would usually ask the property agent’s agency

to resolve the matter. For disciplinary-related complaints, officers would assess the severity and complexity of cases using a new complaint classification matrix and dedicated investigation teams would look into them promptly.

With the redesigned workflows, CEA is now able to channel our resources more effectively to investigating and resolving complaints in a faster manner.

By flagging service-related complaints on agents to their property agencies, CEA and the agencies are able to resolve such complaints in a timely manner. The prompt resolution of cases also signifies CEA’s commitment to uplift professionalism in the industry and has fostered a stronger working relationship between the agencies and CEA.

Our experience in the past year has shown that property agencies have generally been prompt in addressing service lapses that CEA brought to their attention. Some agencies have also already put in place frameworks to strengthen accountability for their agents’ actions and set things right when glitches occur. Through their service-oriented approach and practices, these agencies have proactively taken steps to restore their clients’ trust and confidence.

Nature of Complaints	Number of Complaints as at 31 Dec	
	2015	2016
Advertisement/flyer (e.g. misleading/missing information/improper distribution of flyers)	360	236
Unprofessional service (e.g. major service-related lapses such as not complying with applicable laws, failure to abide by duties/obligations related to documents and agreements)	226	124
Failure to provide exemplary service to clients (e.g. minor service-related lapses such as punctuality issues, no-show at appointments, poor communication) From 2016, CEA refers such service-related cases to property agencies who will manage them accordingly		174
Misconduct (e.g. use of threatening words/harassment/misrepresentation)	127	99
Not acting in client’s interest (e.g. conflict of interest/refusing to co-broke/failing to convey offer)	29	47
Unregistered property agent/unlicensed property agency	56	38
Others (e.g. dual representation, fraud, money lending, handling transaction monies)	35	20
Total	833	738

Categories	Investigation Outcome	Number of Complaints as at 31 Dec	
		2015	2016
Substantiated	Letter of Advice/ Warning served	218	259
	Disciplinary action [#]	16	17
	Prosecution [#]	12	18
Unsubstantiated Refers to cases with insufficient evidence to substantiate claims, assessed to have no wrongdoing on the part of the property agent, baseless/frivolous complaints		213	253
Others Refers to cases with insufficient evidence for investigations, complaints resolved by property agencies, referred to other bodies/government agencies		210	78
Total		669	625

These figures refer to the conclusion of the case before the Disciplinary Committee or Court.



BUILDING CONFIDENCE
EXPANDING OUTREACH

2015 PUBLIC PERCEPTION SURVEY FINDINGS

CEA conducted our second Public Perception Survey from November 2015 to February 2016 with over 2,000 actual and potential consumers.

This was part of our efforts to track the progress of the real estate agency industry in delivering professional service to consumers. The first survey was conducted in 2012.

The survey findings, which were announced in mid-2016, revealed that majority of respondents were satisfied with the services rendered by property agents.

The top rated attributes of property agents were in the area of service excellence. Respondents felt that the agents they engaged were courteous, contactable and responsive, and reasonably accommodated their needs.

The respondents also demonstrated good awareness of key industry practices and regulations.

These included the need for agents to inform sellers or landlords of all offers/proposals

and seek owners' consent before advertising. Consumers were also aware that property agents should co-broke, with consent of consumers, to get the best offer for them.

In addition, the survey found that more consumers were undecided as to whether they intend to engage a property agent for future transactions.

Consumers between 21 to 39 years old were more undecided about engaging a property agent for future transactions.

These consumers were also more likely to handle future property transactions on their own, compared to consumers in the 40 to 59, and 60 and above age bands.

The insights from the survey will guide CEA as we plan for initiatives to further promote consumer awareness on working with their agents to achieve successful outcomes.

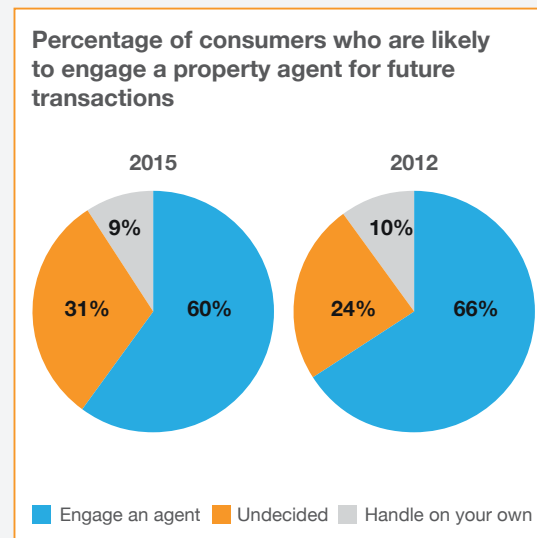
We also shared the survey findings with the industry as learning points on how they can level up their professionalism, provide value added service to, and earn the trust of their clients.

KEY SURVEY FINDINGS

79 per cent of respondents indicated that they were satisfied with their property agents, compared to 81 per cent in 2012



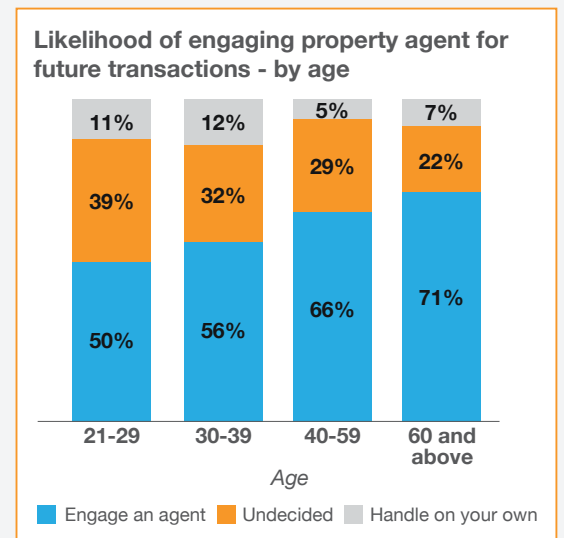
Three in 10 consumers were undecided on whether to engage a property agent for future transactions, compared to one in four in 2012

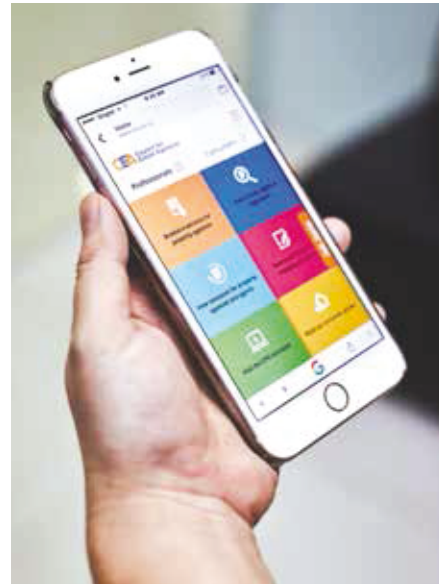


Consumer awareness of key industry practices and regulations remained the same as the 2012 survey, with consumers being aware of nine out of 12 key industry practices and regulations

2015	2012
Property agents have to inform sellers or landlords of all offers/proposals	Property agents have to inform sellers or landlords of all offers/proposals
Property agents must seek owners' consent before advertising	Property agents must seek owners' consent before advertising
Property agents should co-broke, with consent of consumers, to get the best offer for them	Property agents cannot be associated with money-lending activities

Consumers between 21 to 29 years old were more undecided about engaging a property agent for future transactions, compared to those in the other age bands





Our corporate website sports a new look and is also mobile-friendly.

STRENGTHENING COMMUNICATIONS, BUILDING OUR BRAND

During the year, there was good coverage in the mainstream print and broadcast media on the disciplinary actions that CEA took against errant property agencies and agents.

Among the cases publicised were those on unregistered parties carrying out property transactions, as well as property agencies and agents who had failed to act in their clients' best interests.

While serving to strengthen CEA's image as a responsive and effective regulator, these news reports communicated the need for property agencies and agents to act professionally and ethically.

Media stories also provided an opportunity for us to sensitise the industry and public to developments that are changing the business landscape property agencies and agents are operating in.

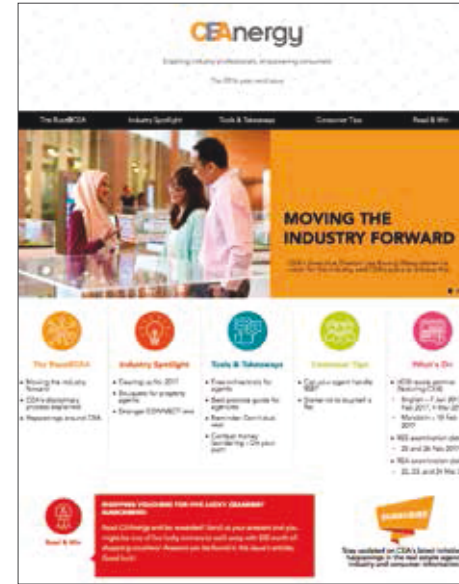
Channel NewsAsia ran a story on how disruptive technologies have catalysed the launch of

do-it-yourself and other hybrid property portals that allow consumer to carry out property transactions on their own, or choose and pay for specific services that they require from property agents.

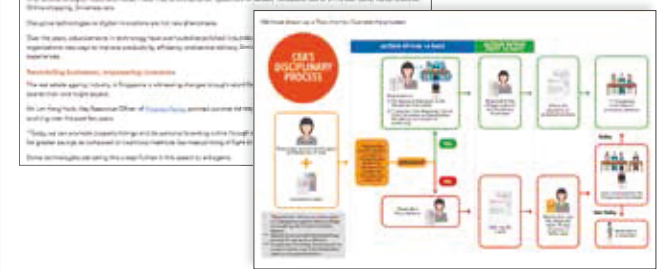
The story highlighted how incumbent real estate agencies are embracing technology to raise service standards. CEA emphasised the need for property agencies to ride the technology wave to stay relevant and competitive. We also encouraged the industry to raise the bar for themselves in their professionalism, productivity, and customer-centricity.



CEA's Deputy Executive Director Chan Mun Kit emphasised the need for consumers to exercise caution before committing to foreign property purchases.



Our e-newsletter, CEAnergy, was revamped to provide a more reader-friendly layout and more enriching content.



In another Channel NewsAsia feature, we stressed to consumers the importance of exercising caution and being aware of the risks involved in foreign property transactions - even when they are served by licensed property agencies.

The story covered the guidelines that CEA required property agencies to comply with when they market foreign properties to retail investors. This was complemented with an advisory that consumers must do their own homework and research before making a foreign property purchase.

REFRESHING RESOURCES WITH USERS IN MIND

To better serve our customers, we refreshed our corporate website with a new look during the year. We improved on the website's navigation features and reorganised content to make it a more intuitive browsing experience for industry professionals and consumers.

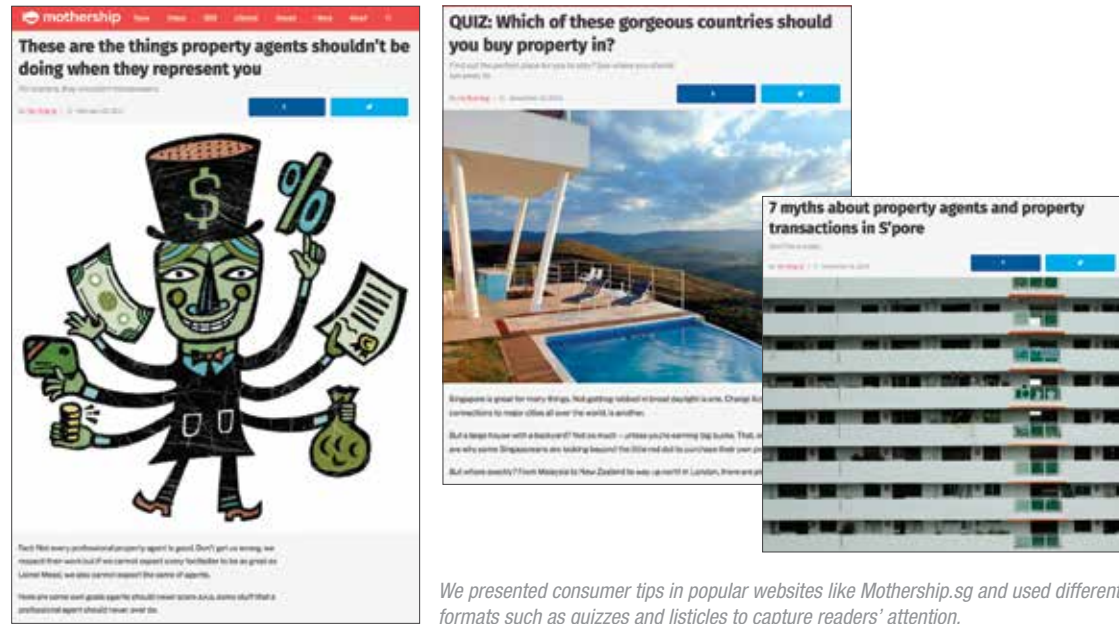
We also optimised our website content for easy viewing on mobile platforms, enabling users to view our web content easily while on the go.

CEAnergy, our quarterly e-newsletter targeting industry professionals and consumers, underwent a design facelift and a content enhancement as well.

Design-wise, the online publication boasts a new layout with more visuals and infographics to better explain content and improve readers' recall of key points.

Articles also carry richer content, reflecting the perspectives of industry professionals and CEA's leaders on important and emerging issues. For example, in the 1/2017 issue, we asked industry leaders for their views regarding the impact of technological innovations on the conduct of property transactions and how the industry can embrace the possibilities that come with technology application.

As a lead up to 2017, our Executive Director Lee Kwong Weng shared his thoughts in the 2016 year-end issue on the challenges and opportunities that the new operating environment would bring for both the industry and CEA.



We presented consumer tips in popular websites like Mothership.sg and used different formats such as quizzes and listicles to capture readers' attention.

In response to readers' feedback to make *CEAenergy* a more relevant read, there are now dedicated sections in the e-magazine offering practical tips in bite-sized form for industry professionals and consumers.

Readers wishing to deepen their knowledge in specific areas can also browse articles that provide useful tools and resources to help them in either their daily work or property decisions. These are designed to allow quick information takeaways and easy application.

RESPONDING TO CONSUMERS' PREFERENCES

In tandem with consumers' media consumption preferences, we reviewed our advertising approach and implemented new digital outreach initiatives. The aim was to focus our outreach efforts towards professionals, managers, executives, and businessmen.

We worked with Mothership.sg, an online content provider, on a series of consumer education stories. These write-ups disseminated practical tips on working effectively with agents for local and foreign property transactions.

To broaden the content appeal, the articles were presented in a variety of formats such as listicles, quizzes, and interviews. These adopted a conversational and light-hearted tone to capture readers' attention.

We also placed consumer education articles and advertisements in the print versions of key newspapers and adapted these for the online versions as well.

In an "askST" sponsored series in both the print and online editions of *The Straits Times*, we addressed commonly-asked questions on agent commissions, rental transactions, and foreign property investments topics.

Animated banner ads were placed in *Straits Times* online to increase visibility of these articles and pique the interest of readers. These ads were presented in comic strip style and were infused with light humour to better engage readers.

These online content was designed to be "shareable". To further extend our reach to different groups of consumers online, we tapped our partner agencies' social media platforms and shared our consumer tips on their channels.

The year also saw us launching our first radio advertisement campaign on six Mediacorp stations. The ads highlighted the need for consumers to check the CEA Public Register to verify if the agents they intend to engage are registered with CEA.

SUSTAINED DIRECT OUTREACH EFFORTS

Close collaboration with our partner agencies such as the Housing & Development Board and Central Provident Fund Board enabled us to continue to reach out to consumers through regular talks and seminars.

Besides giving talks to educate consumers on how they can protect their interests in property transactions involving property agents, we also distributed consumer materials and collaterals such as fridge magnets and tissue packs at these events. The constant visibility of these materials in consumers' daily lives helped to provide consumers with reminders on the key contact points for information.

Our outreach efforts were tailored to meet the needs of specific consumer groups as well. For instance, to reach out to prospective foreign property investors, we participated in the SMART Investments & International Property Expo.

Apart from sharing pointers on the precautions consumers should consider before committing to overseas property purchases, we also talked about the pitfalls they should be mindful of.

In addition, we held talks in English and Mandarin for seniors who attended the Council for Third Age's 50Plus event. Participants had the opportunity to interact with our staff members, who addressed their questions on the obligations of property agents to their clients.

IN THE PIPELINE

Creating greater top of mind awareness of CEA and our role in safeguarding consumers' interests remains a priority for us.

CEA will be refining our public outreach strategy to further raise public awareness and educate consumers that they have a part to play in ensuring a smooth property transaction. A key focus will be on refining our messages to cater to varied audiences, and extending our outreach platforms.



We work towards instilling a mindset amongst consumers that they too need to take shared responsibility for their property transactions as they are ultimately the final decision makers.



ENHANCING PROCESSES DEVELOPING OUR PEOPLE

A TRANSFORMATIONAL JOURNEY

As CEA advocates the industry to transform in light of its rapidly evolving business landscape, we are also re-examining our work processes to be more responsive to changing needs of industry and expectations of consumers.

During the year, we continued to build on the efforts from our Business Process Reengineering (BPR) exercise by forming a dedicated BPR team to drive the planning and implementation of the various initiatives and recommendations.

We embarked on the BPR exercise in late 2015 and conducted a fundamental review of our workflows to identify and address kinks in our current workflows and practices. One such review is the licensing and registration process where we are looking at streamlining the application and registration processes to enable more convenient submissions and reduce processing times.

The aim of the BPR is to improve organisation effectiveness, productivity, and service to stakeholders, while optimising our resources. In the longer term, technology will be a key enabler

for us to do things even faster and better. We will continue to tap technological tools in our frontline operations to improve customer service and feedback management. We will also be revamping our current IT system to make it more business-friendly for property agencies.

As many of the BPR initiatives will be geared towards improving property agencies' and agents' service experiences with us, we will continue to seek input from industry professionals as we fine-tune the details.



We will continue to seek input from the industry as we implement our Business Processing Reengineering initiatives.



We aim to create opportunities for our officers to realise their professional and personal goals while delivering on our mission.

BUILDING A DYNAMIC TEAM

Nurturing a team that is committed and competent remained at the centre of our human resource polices.

During the year, we introduced a career development framework to create a more holistic staff management system that enables officers to explore different roles within the organisation through job rotations. The framework allows, where possible, an optimal match between each officer's professional growth, personal aspirations, and our business goals.

In the same vein, to ensure that our officers are sufficiently prepared to take on new challenges, we developed a staff competency framework to ensure our staff are suitably equipped with the necessary skillsets and abilities to achieve CEA's mission.

The learning experience at CEA will continue to take into account our business goals and objectives. Going forward, we will identify and

build new competencies and skillsets to empower CEA staff to meet the demands of the changing industry landscape. Some of these areas include computer forensics and data analytics.

STRENGTHENING ACCOUNTABILITY

We continued to strengthen our accountability culture during the year through several initiatives.

Amongst them was the review of our financial regulations to better align them with the government's Instruction Manual and to achieve greater operational efficiency.

In addition, to improve the robustness of our procurement processes, we introduced data analytics on procurement activities to scan for irregularities and identify areas for improvement in compliance.



Patrick and Kasturi delighted customers with their outstanding service, while Joelle was commended for her contributions to the public service.



DELIVERING EXCELLENCE THE CEA WAY

Putting our customers first, exceeding their expectations, and giving our very best in all we do are key values that guide our plans and actions at CEA.

Our officers' efforts to pursue excellence were recognised on several fronts during the year.

Licensing team colleague Patrick Chan received the PS21 Star Service Award last year for the outstanding service he rendered to customers. The award is presented to officers who consistently demonstrate high standards of exemplary service.

Another colleague from the Licensing team, Kasturi Somu, received the Excellent Service Award (Silver) organised by SPRING Singapore for her commitment to delivering stellar service.

Joelle Lee from Policy & Planning received the Commendation Medal conferred in conjunction with the National Day Award 2016. The awards are an affirmation to public officers of their significant contributions to the nation.

Members of CEA's Corporate Communications and Public Outreach team received the Minister's Team Award 2016. The award acknowledges the value of innovative team-based projects that contribute to the Ministry of National Development's vision of transforming Singapore into "An Endearing Home, A Distinctive Global City".

The team won the award in recognition of CEA's public outreach efforts to educate consumers on property transactions involving property agents and to empower consumers to conduct such transactions prudently and judiciously.



CEA's Corporate Communications and Public Outreach team together with Minister for National Development & Second Minister for Finance Mr Lawrence Wong (6th from left) (Photo: HDB)

PROUD TO BE PART OF TEAM CEA

The CEA work experience creates fulfilment that goes beyond meeting challenging work targets. We believe that we can have fun too, even while working hard to deliver on our mission.

During the year, we organised several memorable activities for officers to recharge and reflect on what it means being a part of the CEA team.

Healthy lifestyle and team bonding were the key themes for the activities last year. We came together for invigorating games of badminton, bowling, basketball, and table tennis, just to name a few.



Lunch hour is well spent over a game of basketball!



Greening our workspaces with our very own terrariums!

The greenies among us participated in a terrarium making workshop under the National Parks Board's Community-In-Bloom initiative and went on a trip to explore the Kranji Marshes.

Those who preferred decoding clues and cracking mysteries signed up for an Escape Room game experience. At the close of the year, we all gathered for a Cohesion Night of fellowship and food.

GOING BEYOND OURSELVES

While we work to deliver on our core responsibilities, CEA believes in going beyond our day-to-day business to give back to the community. Our corporate social responsibility efforts during the year revolved around activities that encouraged staff volunteerism and cultivating a community-caring culture.

For the first time, we collaborated with TOUCH Home Care on its Meals-on-Wheels initiative to deliver dinner to seniors living in the vicinity of Toa Payoh, Ang Mo Kio, and Bishan.

Together with the National Council of Social Service, we organised a visit to the Enabling Village, a community venue combining retail, lifestyle, and training for the disabled in an all-accessible public space.

During the visit, we gained a better appreciation of the assistive technologies that aid those with special needs to live, work, and integrate with society. Colleagues also purchased unique items from social enterprises at the Village that provide meaningful employment opportunities for the disabled.

CEA staff members gave generously to support several charitable causes. We raised \$3,460 in support of the 2016 President's Challenge, and more than \$6,200 for the Community Chest through pledge card collections. We are happy that our donations will go towards helping the needy in our society, including children with special needs, adults with disabilities, families in difficulties, as well as the elderly.



We did our bit our bit for the Community Chest through pledge card collections.



All set and ready to deliver meals to seniors in our neighbourhood.