

CEA's response: Agents must act responsibly to promote clients' interests

13 May 2019

We thank Ms Vina Ip for her letter "Questionable property ads popping up on social media", published on 3 May 2019.

The conduct of property agencies and agents in Singapore is governed by the Estate Agents Act and Regulations, which include the Code of Ethics and Professional Client Care. These are put in place to raise the professional standards of the real estate agency industry, and to safeguard consumers' interests.

Under the Code, property agents must protect and promote the interests of their clients. They must comply with the relevant laws that apply to property transactions, and must not encourage their clients to infringe these laws. Agents must not place advertisements which carry inaccurate, false or misleading claims.

The public can report misleading property advertisements or claims to the Council for Estate Agencies (CEA) for investigation. CEA takes a serious view of property agents who do not act responsibly and professionally. We have issued warning letters to property agents for misleading advertisements and will not hesitate to take disciplinary action against agents who do not comply with our regulations. Errant agents could be fined, and in the case of more serious offences, their registration could be suspended or revoked.

Chan Kwok Cheong
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Council for Estate Agencies

Letter to ST Forum

Questionable property ads popping up on social media

Date: 3 May 2019

From: Vina Ip

When the Government implemented property cooling measures last July, individuals were cautioned against over-leveraging in property purchases.

Recently, Facebook has been flooded with property ads offering free seminars and free guides advocating owning "multiple properties with no money down", or "a condo on a \$6k combined salary", or "buy 2 private properties without paying ABSD", among other examples.

There was a report that highlighted an unusual spike in the number of options-to-purchase (OTPs) being reissued in December (PropNex calls for easing of curbs for HDB upgraders, March 15).

A Credit Suisse report said two-thirds of options in last December's developer sales lapsed, noting that some developers were "continually reissuing OTPs to buyers upon expiry of a three-week validity period without any forfeiture of booking fees".

Before the situation gets out of hand, the authorities should take prompt action to stop shady schemes from taking root.

It is wrong for agents to talk owners into trading in their Housing Board homes for condo units when they cannot afford it.

Last July's cooling measures specified that buying a second private property entails a higher additional buyer's stamp duty (ABSD).

It is irresponsible to coach agents and mislead buyers into believing that there are ways to avoid paying ABSD.

Tax evasion is a criminal offence punishable under the law.

Shady property get-rich-quick schemes are tarnishing the reputation of the real estate brokerage profession. It is unfair to agencies and agents not involved in promoting such schemes.

The schemes are totally against the mission of the Council for Estate Agencies to raise the professionalism of the industry and safeguard consumer interest.

Facebook is responsible for avoiding online misinformation and screening misleading and inappropriate ads, even if this may affect its advertising revenue.