

**Response to “Before taking plunge into UK property market...”
– ST Forum, 22 May 2014**

30 May 2014

Dear Editor

We refer to the letter “Before taking plunge into UK property market...” by Mr Stuart Bygrave (22 May 2014), which highlights the potential pitfalls of Singaporeans buying properties in Britain.

2 All property transactions handled by estate agents in Singapore, including those involving foreign properties, are regulated by the Council for Estate Agencies (CEA). When marketing foreign properties in Singapore, estate agents and salespersons have to comply with the Estate Agents Act and its Regulations such as the Code of Ethics and Professional Client Care, and the Practice Guidelines on Ethical Advertising. They must provide accurate information on the property and state the basis of claim in their marketing information. CEA proactively identifies potentially misleading advertisements and advises the estate agents concerned to correct any inaccurate or unsubstantiated information. CEA will take action against any estate agent or salesperson for such infringement.

3 In March 2014, CEA implemented a set of practice guidelines detailing the responsibilities of estate agents and the preparatory activities they are required to undertake when they market foreign properties. It includes conducting checks on foreign property developers to ensure that, among other things, they have good financial standing and proven records on claims of returns. If there are claims of guarantees, including underlying terms and conditions, estate agents must ensure that these are provided by the developer as part of the contract offered to buyers.

4 Buying a property is a major financial decision. Regardless of whether the property is located locally or overseas, consumers should always exercise due diligence before entering into any agreement. When buying foreign properties, they should find out important details such as the rules and restrictions on foreign property purchases and ownership, taxes payable, pricing and terms and conditions of the purchase. They should not rely solely on advice from the representative of the foreign property. They should be aware that the legal framework governing the transaction and dispute resolution is different from buying a local property and there are additional risks such as foreign currency fluctuation. Consumers can refer to CEA’s website (www.cea.gov.sg) for an online guide on buying foreign properties.

Yeap Soon Teck
Deputy Director (Licensing)
Council for Estate Agencies