

REAL ESTATE SALESPERSON (RES) EXAMINATION SYLLABUS

PAPER 1 Basic Real Estate Concept and Law

- Unit 1 Real Estate Agency Industry Overview
- Unit 2 Basic Concepts of Real Estate
- Unit 3 Laws Governing Estate Agency Practice and Real Estate Transactions

PAPER 2 Real Estate Salespersons Practice and Regulations

- Unit 4 Marketing and Customer Services
- Unit 5 Estate Agents Act 2010 and Estate Agency Practice
- Unit 6 Sale and Lease of HDB Properties
- Unit 7 Sale and Lease of Private Properties

Preamble

Introduction

Under the new regulatory regime administered by the Council for Estate Agencies (CEA), one of the registration criteria for property agents (or individual salespersons) is that they must pass the CEA's Real Estate Salesperson (RES) examination or have equivalent qualification. This is to ensure that agents intending to do estate agency work are well qualified, professionally competent and be able to work effectively in the real estate industry. Equally important is that they must uphold good ethical standards.

The syllabus is prepared in the context of laws in Singapore governing real estate agency work and shall focus on sale and lease transactions involving residential, commercial and industrial properties located in Singapore. The syllabus does not include laws or regulations of other countries governing transactions of foreign properties and real estate agents are advised to be familiar of such laws or regulations when advising their clients in foreign properties transactions.

Expectations

The RES examination syllabus is designed to ensure real estate salespersons meet the expectations required of them:

- Have good knowledge of the concepts of real estate and agency practice;
- Have a basic knowledge of the legal requirements and laws governing property transactions and real estate agency work;
- Have a basic knowledge of the terminology and concepts of real estate sale and leasing and the need to comply with the requirements of the law;
- Understand the requirements of the Estate Agents Act 2010 and subsidiary legislation including Code of Ethics and Professional Conduct, and of the Council for Estate Agencies (CEA); and

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- Be able to handle typical property transactions effectively and in compliance with the law, government policies, rules and CEA's prescribed regulations and practice guidelines.

The syllabus is prepared to facilitate the development of appropriate curriculum by the approved course providers

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Competency Unit 1: Real Estate Agency Industry Overview

Real estate salespersons are expected to be aware of the nature of real estate, the agency practice and industry in Singapore.

- 1.1 Types of private and public residential, commercial and industrial properties in Singapore
- 1.2 Factors affecting real estate market, property prices and cycles, e.g. housing policies, economic conditions
- 1.3 Characteristics of real estate market
- 1.4 Property market supply, demand and price statistics
- 1.5 The role and functions of real estate agencies and salespersons in the property market

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Competency Unit 2: Basic Concepts of Real Estate

Real estate salespersons need to know the basic terminology and concepts of land law which are fundamental to estate agency work.

- 2.1 Definitions of land, real property, fixtures, fittings
- 2.2 Interests in land and property rights
- 2.3 Tenure and estate in land: freehold and leasehold
- 2.4 Future interests in land: reversionary interest, remainder (life estate), succession (testate or intestate)
- 2.5 Grant of rights in land: gift, lease, licence, TOL, trust
- 2.6 Rights in another's land: easement, covenant, mortgage
- 2.7 Co-ownership of land: joint tenancy and tenancy-in-common
- 2.8 Leases
 - 2.8.1 Essentials and types of leases
 - 2.8.2 Common clauses in lease agreement
 - 2.8.3 Assignment and novation
- 2.9 Mortgages
 - 2.9.1 Legal and equitable mortgages
 - 2.9.2 Essential terms of mortgage and their common variations
 - 2.9.3 Floating and fixed-rate mortgages
 - 2.9.4 Application procedures and usual considerations in approving mortgages
- 2.10 Land registration
 - 2.10.1 The land register
 - 2.10.2 Registration: what can be registered, who may register, why register
 - 2.10.3 Caveats

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Competency Unit 3: Laws Governing Estate Agency Practice and Real Estate Transactions

Real estate salespersons are expected to be aware of the laws of contract and agency, the tort of negligence and legislation relating to estate agency practice. Awareness of taxation is also expected.

- 3.1 Basic concept of common law, equity and statute law
- 3.2 Principles of the law of contract
 - 3.2.1 Definition of contract
 - 3.2.2 Formation of contract
 - 3.2.2.1 Offer and acceptance
 - 3.2.2.2 Form or consideration
 - 3.2.2.3 Intention to be legally binding
 - 3.2.3 Contract for sale of land/property
 - 3.2.3.1 Option to purchase
 - 3.2.3.2 Subject to contract
 - 3.2.3.2 Special requirements: by hand or by deed
 - 3.2.4 Misrepresentation, duty of disclosure and remedies for misrepresentation
 - 3.2.5 Breach of contract and remedies
- 3.3 Principles of the law of agency
 - 3.3.1 Creation of agency: express, implied, estoppel, ratification
 - 3.3.2 Termination of agency
 - 3.3.2.1 Mutual agreement
 - 3.3.2.2 Expiration
 - 3.3.2.3 Fulfilment of terms
 - 3.3.2.4 Frustration
 - 3.3.2.5 Revocation by principal
 - 3.3.2.6 Renunciation by agent
 - 3.3.3 Breach of contractual duties by agents and liabilities

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3.4 Negligence

- 3.4.1 Definition of negligence
- 3.4.2 Ingredients of negligence: duty of care, breach of duty, injury or damage
- 3.4.3 Negligent statement
- 3.4.4 Breach of duty of care by agents and liabilities

3.5 Legislation relating to estate agency practice

- 3.5.1 Housing & Development Act
- 3.5.2 Residential Property Act
- 3.5.3 Land Titles (Strata) Act (collective sale of property)
- 3.5.4 Civil laws and Syariah laws on inheritance and divorce
- 3.5.5 Moneylenders Act and lodging of caveats
- 3.5.6 Town Council Act
- 3.5.7 Bankruptcy Act
- 3.5.8 Oaths and Declaration Act
- 3.5.9 Stamp Duty Act
- 3.5.10 State Lands Act (conditions and covenants, differential premium)
- 3.5.11 Building Maintenance and Strata Management Act (share values and contributions to management and sinking funds)
- 3.5.12 Land Acquisition Act
- 3.5.13 MHA's Immigration Act on due diligence checks against illegal immigrants
- 3.5.14 MOM's rules and regulations concerning foreign worker housing

3.6 Basics of property-related taxations

- 3.6.1 Stamp Duty
- 3.6.2 Property Tax
- 3.6.3 Income Tax
- 3.6.4 Goods & Services Tax

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Competency Unit 4: Marketing and Customer Services

Real estate salespersons are expected to know the principles of marketing, advertising and promotion, and types of listing. They should also be able to manage conflict and disputes in the real estate industry.

- 4.1 Marketing mix
- 4.2 Marketing programmes
- 4.3 Types of listing
- 4.4 Consumer Protection (Fair Trading) Act
- 4.5 Customers' expectations of salespersons' services
- 4.6 Conflict and dispute resolution
 - 4.6.1 Understanding conflict
 - 4.6.2 Sources and causes of conflict
 - 4.6.3 Conflict management solutions
 - 4.6.4 Methods of dispute resolution

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Competency Unit 5: Estate Agents Act 2010 and Estate Agency Practice

Salespersons are required to have a basic knowledge of the Estate Agents Act and the role of CEA, to be conversant with CEA's prescriptions and requirements for brokering property sales/leasing and be able to deal with typical cases.

- 5.1 Principal functions and general powers of CEA
- 5.2 Estate Agents Act
 - 5.2.1 Coverage of regulatory framework
 - 5.2.2 Definition of estate agent, salesperson and estate agency work
 - 5.2.3 Duties of and liabilities of salespersons
 - 5.2.4 Offences, penalties and disciplinary actions
- 5.3 CEA's licensing and registration requirements
 - 5.3.1 Licensing requirements for Key Executive Officers, directors and partners
 - 5.3.2 Salesperson's registration requirements
- 5.4 Regulation of Estate Agency Work
 - 5.4.1 No dual representation by salespersons
 - 5.4.2 No referral to moneylenders
 - 5.4.3 No holding of transaction monies
 - 5.4.4 Use of Council symbols and representations
 - 5.4.5 Display of estate agent card
- 5.5 Compliance with CEA's Code of Ethics and Professional Client Care
 - 5.5.1 Knowledge of applicable laws, practice circulars and guidelines, and essential facts
 - 5.5.2 Due diligence and compliance with law and statutory requirements
 - 5.5.3 General duty to clients and public
 - 5.5.4 Not to bring discredit or disrepute to real estate industry
 - 5.5.5 Duty to clients in relation to signing of documents
 - 5.5.6 Obligations in respect of agreements
 - 5.5.7 Conveying offers and counter offers
 - 5.5.8 Interpretation or translation if necessary
 - 5.5.9 Duties in respect of advertisements
 - 5.5.10 Duty to avoid conflict of interests
 - 5.5.11 Recommending professional advice where appropriate
 - 5.5.12 Safeguarding confidential information
- 5.6 Compliance with CEA's Code of Practice
 - 5.6.1 Management and supervision

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- 5.6.2 Estate Agent Card
- 5.6.3 Claims and complaints
- 5.6.4 Retention of documents and records
- 5.7 Prescribed Estate Agency Agreements
- 5.8 Compliance with CEA's mechanisms for dispute resolution
 - 5.8.1 CEA's Complaints handling process
 - 5.8.2 Dedicated dispute resolution mechanism through mediation – arbitration
- 5.9 Continuing Professional Development

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Competency Unit 6: Sale and Lease of HDB Properties

Real estate salespersons are expected to have a good knowledge of public housing policies and procedures relating to the resale and sublease of HDB flats in order to facilitate a smooth transaction.

- 6.1 Public housing policies
- 6.2 Resale flat transaction process and procedures
 - 6.2.1 HDB mandatory checklist for housing agents, HDB's prescribed option to purchase
 - 6.2.2 Ascertaining sellers' eligibility to sell an HDB flat in open market
 - 6.2.3 Ascertaining buyers' eligibility to buy a resale flat
 - 6.2.4 Ascertaining buyers' eligibility for concessionary loan and understanding the requirement of HDB Loan Eligibility Letter
 - 6.2.5 Ascertaining buyers' eligibility for CPF housing grant
 - 6.2.6 Resale process (registration, 1st appointment, completion)
- 6.3 Terms and conditions for purchase of flats from HDB (including studio apartments), DBSS flats and Executive Condominiums
- 6.4 Policies pertaining to renting out flats by flat owners e.g. eligibility conditions, subletting rules
- 6.5 Practical aspects relating to resale and rental transactions

Examples

- How and where to check tenants' residential status
 - For rental flats, should landlord or tenant pay for property tax and SC/CC
 - Who should pay for stamping of tenancy agreement; how and where to stamp the agreement
 - Can residential premises be used for other purposes such as office, place of worship, etc.
 - How to check whether the "sellers/landlords" are indeed owners of the property
 - How to get HDB's prior approval to sublet the whole flat and the registration of tenants to sublet bedrooms
- 6.6 Financing the purchase: sources of fund, transaction costs, financial calculations
 - 6.7 Calculation of cash proceeds from sale of HDB properties

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Competency Unit 7: Sale and Lease of Private Properties

Real estate salespersons are expected to know how to facilitate the rental, sale and conveyance of uncompleted and completed private residential and non-residential properties.

- 7.1 Types and characteristics of private residential property
- 7.2 Types and characteristics of private non-residential properties
 - 7.2.1 Commercial property
 - 7.2.2 Industrial property (including Business Park and JTC property)
- 7.3 Sale of completed private residential and non-residential properties
 - 7.3.1 Option to purchase
 - 7.3.2 Agreement for sale and purchase
 - 7.3.3 Conditions of sale
 - 7.3.4 Legal completion
- 7.4 Sale of properties under construction
 - 7.4.1 Housing Developers (Control & Licensing) Act and Rules
 - 7.4.2 Sale of Commercial Properties Act and Rules
 - 7.4.3 Subsale
- 7.5 Practical aspects relating to sale and rental transactions
 - Examples
 - How to verify housing types
 - How to convert 6-digit postal code to old district number
 - For rental deals: letter of intent, security deposits, utilities applications, handing and taking over of premises, inventory, etc.
- 7.6 Financing the purchase: sources of fund, transaction costs, financial calculations
- 7.7 Calculation of cash proceeds from sale of private properties