

4 MAY 2016

2015 Public Perception Survey on the real estate agency industry

The Council for Estate Agencies (CEA) today released the findings of its second Public Perception Survey¹ on the real estate agency industry. Similar to the survey results in 2012, consumers continued to be satisfied with the services rendered by their property agents.

2. The key survey findings include:

- 79 per cent of respondents indicated that they were satisfied with their property agents, compared to 81 per cent in 2012.
- Consumer awareness of key industry practices and regulations remained about the same as the 2012 survey, with consumers being aware of nine out of 12 key industry practices and regulations.
- Three in 10 consumers were undecided on whether to engage a property agent for future transactions, compared to one in four in 2012.

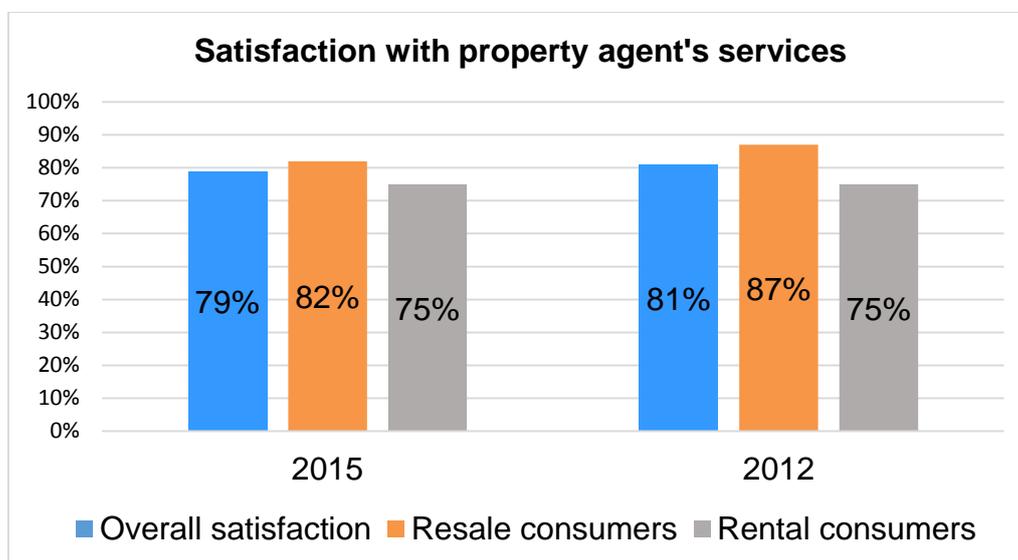
3. Mr Lee Kwong Weng (李广荣), Executive Director, CEA said, “CEA started to regulate the estate agency industry in 2010. The survey findings provide us with useful insights to plan and develop initiatives that will further raise professional standards in the industry, as well as promote consumer awareness of industry practices. It also serves as a useful report card for property agencies and agents to review and improve their practices.”

4. CEA conducted the Public Perception Survey over a four-month period from November 2015 to February 2016 where 2,113 consumers and potential consumers were interviewed (refer to **Annex A** for more information).

¹ CEA conducted the 1st Public Perception Survey on the real estate agency industry in 2012.

Satisfaction with service provided by property agents

5. 79 per cent of respondents indicated that they were satisfied with the services provided by their property agents. This is a slight decrease compared to 81 per cent in 2012, and can be attributed to the lower satisfaction levels resale consumers gave in 2015 (82 per cent) compared to 2012 (87 per cent).



6. Consumers were asked to rate their property agents on 18 action statements (refer to **Annex B**). These statements are grouped into three professional attributes:

- Knowledge/Expertise
- Ethics/Conduct
- Service Excellence

7. In 2015, consumers were most satisfied with their property agents in the area of Service Excellence, similar to the 2012 findings. The top-rated attributes in 2015 and 2012 are:

2015	2012
Property agent is courteous to me at all times (<i>Service Excellence</i>)	Property agent provides a copy of all signed documents (<i>Service Excellence</i>)
Property agent is contactable and responsive to my queries (<i>Service Excellence</i>)	Property agent is courteous to me at all times (<i>Service Excellence</i>)
Property agent reasonably accommodates my needs (<i>Service Excellence</i>)	Property agent is contactable and responsive to my queries (<i>Service Excellence</i>)

8. Consumers were least satisfied with property agents in these areas in 2015 and 2012:

2015	2012
Property agent is not overly forceful in pressuring me to complete the transaction <i>(Ethics/Conduct)</i>	Property agent provides advice on financial matters related to the transaction <i>(Knowledge/Expertise)</i>
Property agent clearly explains the commission payable for the transaction <i>(Knowledge/Expertise)</i>	Property agent provides accurate and up-to-date information related to the property and the property market <i>(Knowledge/Expertise)</i>
Property agent does his best to negotiate and secure the best price <i>(Service Excellence)</i>	Property agent does his best to negotiate and secure the best price <i>(Service Excellence)</i>

Awareness of key industry practices and regulations

9. Consumers were polled on their awareness of 12 key industry practices and regulations (refer to **Annex C**). The survey found that consumer awareness of these practices and regulations remained the same compared to 2012, with an average score of 73 per cent, or close to nine out of 12 areas. In 2012, the average score was 72 per cent, or eight in 11 areas.

10. As for potential consumers, awareness level averaged 65 per cent, an improvement from 59 per cent in 2012.

11. Resale consumers showed a higher level of awareness of the key industry practices and regulations compared to the rental consumers. This is similar to what was observed in 2012.

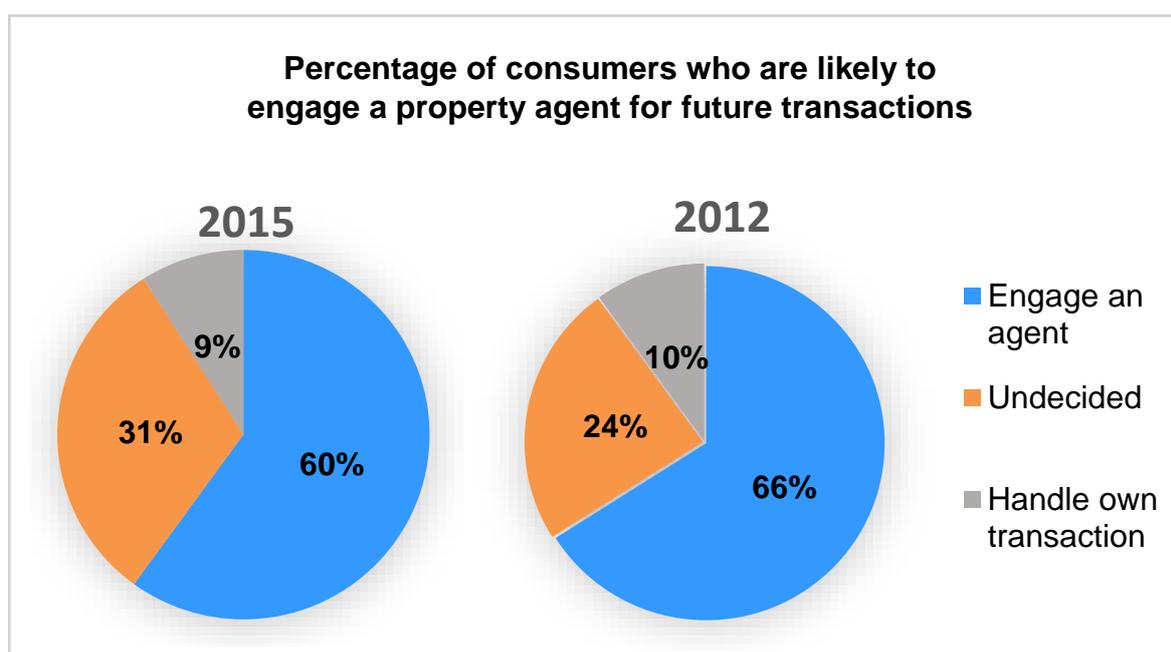
12. There was high awareness by consumers in these areas:

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

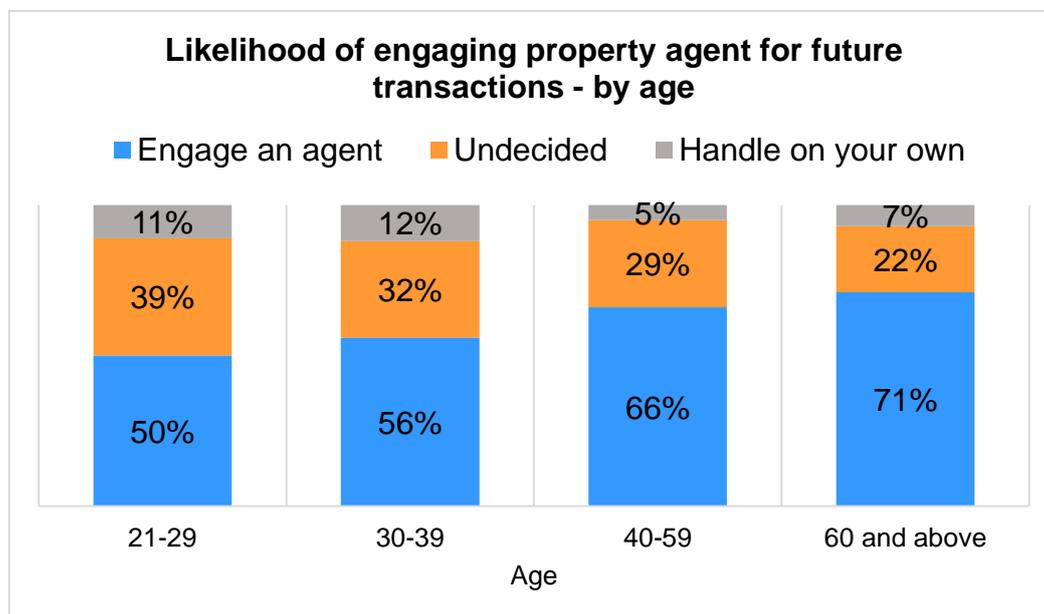
13. Similar to consumers, potential consumers also displayed high awareness of the fact the property agents must seek owners' consent before advertising. They were more aware that property agents cannot be associated with money-lending activities, and that they can complete their own property transactions without the service of a property agent.

More consumers undecided about engaging a property agent for future transactions

14. Consumers were asked if they intend to engage a property agent for future transactions. While the percentage of those who would handle the transaction on their own remains similar to that of 2012, the proportion of consumers who were undecided increased to 31 per cent from 24 per cent in 2012.



15. The survey also found that 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 other two age bands.



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About the Council for Estate Agencies

The Council for Estate Agencies (CEA) is a statutory board established in 2010 under the Estate Agents Act to regulate and promote the development of a professional and trusted real estate agency industry. The key responsibilities of CEA are to license estate agents and register salespersons, promote the integrity and competence of estate agents and salespersons, and equip consumers with the necessary knowledge to make informed decisions in property transactions. Visit www.cea.gov.sg for more information.

About the CEA Public Perception Survey

CEA conducted its second Public Perception Survey from November 2015 to February 2016.

Face-to-face interviews were conducted with two groups of consumers:

- 1,665 consumers who had completed their property transactions, resale or rental, using the services of property agents; and
- 448 potential consumers who have not engaged the services of property agents before.

87 per cent of the resale consumers were mainly Singapore Citizens or Permanent Residents and are in their 30s and 40s. 44 per cent of the rental consumers were Singapore Citizens or Permanent Residents and are in their 20s and 30s.

The Public Perception Survey is part of CEA's continuing effort to measure the progress of the real estate agency industry in delivering professional service to consumers.

Professional attributes

To determine the level of consumer satisfaction, consumers were asked to recall their experience with their property agent and rate them on each of the following 18 action statements on a scale of 1 to 7 (1 – strongly disagree, 4 – neutral, 7 – strongly agree). The statements are grouped under three key professional attributes.

Knowledge/Expertise

1. Property agent provides proper advice based on my needs and eligibility
2. Property agent provides action on financial matters related to the transaction
3. Property agent provides accurate and up-to-date information related to the property and the property market
4. Property agent provides advice based on the latest rules, regulations, policies, and procedures
5. Property agent clearly explains the commission payable for the transaction
6. Property agent explains and provides sufficient time for consideration before signing documents
7. Property agent performs all paperwork correctly and accurately in a timely manner

Ethics/Conduct

8. Property agent acts in my best interest and does not have any conflict of interest
9. Property agent is trustworthy and does not mislead me
10. Property agent is transparent and informs me of all developments or issues related to my transaction in a timely manner
11. Property agent advises me to declare information truthfully and comply with legal requirements
12. Property agent is not overly forceful in pressuring me to complete the transaction
(*new*)

Service Excellence

13. Property agent does his best to negotiate and secure the best price
14. Property agent explains the transaction process and timeline
15. Property agent provides a copy of all signed documents
16. Property agent is contactable and responsive to my queries
17. Property agent reasonably accommodates my needs
18. Property agent is courteous to me at all times

Awareness of key industry practices and regulations

Consumers and potential consumers were asked about their awareness of the following 12 key industry practices and regulations. They were asked to indicate yes or no:

1. Property agents must be registered with the CEA
2. Property agents must abide by the Code of Ethics and Professional Client Care established under the law (Estate Agents Regulations)
3. Consumers are encouraged to use the forms (Estate Agency Agreements) prescribed by CEA for sale, purchase, or lease of residential properties in Singapore
4. Consumers can negotiate the commission rate payable to the property agent
5. Property agents should co-broke, with the consent of both buyer and seller, to get the best offer for them
6. The same property agent cannot represent both buyer and seller, or landlord and tenant
7. Property agents have to inform sellers or landlords of all offers/proposals
8. Property agents must seek the owners' consent before advertising
9. Property agents should not be associated with money-lending activities
10. Property agents cannot handle transaction monies, for on behalf of any party
(*new*)
11. Consumers can complete their own property transactions (i.e. DIY) without the service of a property agent
12. There is an online public register to check the registration details of property agents