Don’t be a suaku.

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Myth 1: You need a property agent if you want to buy/sell/rent

Fact: No you don’t need a property agent but you probably want a professional (see myth 3) by your side when it comes to property transactions.
That said, there are several avenues for *garang* consumers to buy/sell/rent their properties. In fact, the latest stats from Ministry of National Development showed that almost a quarter of HDB resale transactions were done via the DIY route.

How? Self-study [here](#) (for buyers) and [here](#) (for sellers), or there’s the new real estate app Ohmyhome and platform DirectHome. Warning: That is if you are *garang* and confident enough.

**Myth 2: Going direct to the listing agent will save you money**

Purchasing a house is unlike buying, say, fruits at a supermarket. Because:

a) No houses go for 3 for $5.
b) There are no agents representing the fruits.

So if you think you can just walk into a random flat and get a good price just by your excellent negotiation skills picked up in a SkillsFuture course, then you are sadly mistaken.

Because instead of speaking to the seller, you will be bargaining with the listing agent, who is obliged to get the best price and terms for the seller.

And if you think “why not get the listing agent to represent me too?”, you can’t because dual representation is not allowed i.e.: an agent cannot represent both buyer and seller.

So what can you expect if you still decide to strive on and go direct? It’s hard to say, since you’re on your own.
Myth 3: Anyone can be a property agent

If you think property agents *bo tak chek*, then prepare to be educated.

All aspiring agents have to attend a 2-month course and pass an exam before getting their licence, which is granted by the [Council for Estate Agencies](https://www.cea.gov.sg). In fact, it is common to see people retaking the exam than passing it.

Even after securing the coveted licence, agents have to attend yearly courses to keep themselves updated on the latest regulations in order to renew their licence.

TLDR: Being an agent is not easy - and like other professionals, they have to renew their licence yearly.

If you suspect your agent is clueless and, gasp, a phony, you can search his credentials on [CEA’s Public Register](https://www.cea.gov.sg) online or via the CEA@SG app.

Myth 4: You have to pay a fixed commission
As with most professions, fees and commissions are pegged to a market rate.

Because economics. Plus, the agent’s professionalism, service and network also play a big part in determining the amount of commission to be paid.

And the market rate for, say, the commission that an agent stands to earn after a successful sale of a HDB flat?

The current market rate is 1 to 2% of the selling price. But as the name implies, a market rate is dependent on market forces and thus not cast in stone. So the good thing is that there’s ALWAYS room for negotiation.

That said, the commission has to be confirmed by both parties right from the start in black and white. You know, to avoid awkward situations and potentially nasty outcomes.

Take your time to speak to different agents to get a sense of their professionalism, service and, most importantly, their network -- meaning the number of buyers/sellers in their database. These things usually will determine how much commission to be paid out.

**Myth 5: Commissions are GST-free**

What are the two certainties in life? Death and, that’s right, taxes.

The bad news: So there’s no running away from GST, even in property transactions because property agencies that are GST-registered companies are required to charge GST.

The good news? Consumers are generally expected to pay GST though some agencies may absorb the 7%. You just have to confirm the final commission amount that you will be paying, and whether GST has been included in at the start of the transaction.
Myth 6: Hiring more agents rather than just 1 will make things easier/faster/cheaper.

Consider this equation:

More property agents working for you = cheaper, faster, easier?

Not really.

But first, we have to understand that there are two types of agreements:

- **Exclusive** - appoint only one agency, valid for up to three months, and you must pay commission even if you buy/sell/rent the property on your own or via another agency.
- **Non-exclusive** - appoint a few agencies but you must clarify which agent can claim commission from you.

At first glance, non-exclusive agreements seem better. More agents = more chances. Right?

Well, not really.

You see, an exclusive agreement is more appealing to agents as they are likely to devote more resources and time to look after your interest.

With a non-exclusive agreement, you have to play coordinator and make sure the agents’ efforts don’t overlap. Plus, you may not have the complete picture of all the offer prices at any one time as agents might update you at different timings, or get a false sense of the level of interest in your property as a potential buyer could be contacting more than one agent who is trying to sell your property.

So prepare for a whole load of admin duties. Dead.

Myth 7: I cannot control how the agents work

Remember, you are the boss, so your agent should work for you, on your own terms. Here’s a handy list of duties expected of a professional agent:
a) Offer you pro tips
b) Be your negotiator and update you on all offers and proposals promptly
c) Help you enter into a contract, and explain to you the cheem stuff
d) Seek your permission before advertising your property
e) Declare to you any conflicts of interest and related income/referral fees

For HDB transactions:
f) Advise you on whether you can buy/sell/lease
g) Go through the Resale Checklist with you
h) Check with Seller whether the renovations were approved by the gahmen or not
i) Help you submit documents/information to HDB

Bonus:
j) Buy kopi for you (joking)

Now that you have the list, put it down in the Estate Agency Agreement so that you can be a slave driver keep track of what your agent has done.

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