Engaging Salespersons - Get It Right!

Many Singaporeans buy, sell and lease their properties through real estate salespersons. What should consumers look out for when engaging one? Here are some tips from CEA.

Under the Estate Agents Act, estate agents refer to estate agency businesses (sole proprietors, partnerships and companies) while salespersons refer to individuals who perform estate agency work.

Your salesperson should:
- Offer you professional advice and meet all reasonable instructions and requests from you in the transaction process.
- Follow your instructions when negotiating with any prospective party and inform you promptly of any offer, proposal or expression of interest.
- Seek your prior consent before advertising your property.
- Explain clearly to you about co-broking so you can make an informed decision.
- Clearly explain to you all the relevant forms and documents for the transaction.
- Assist you to enter into a binding agreement with the other party.
- Declare to you any conflict of interest as soon as practicable.
- Inform you if he or she would receive any fee or other payment from any source with respect to the transaction, such as a referral fee from the bank which he or she has recommended you for your housing loan.

In the case of a HDB flat transaction, your salesperson is required to advise you on your eligibility to buy, sell or lease the flat, in particular, your eligibility for a housing loan. He or she must go through the HDB resale checklist with you.

If you are a buyer, your salesperson should explain to you the implications if the renovations made to the HDB flat were not duly authorised. He or she is also responsible for helping you to submit forms, documents and/or information required by HDB to process the transaction.

Engage only licensed estate agents and registered salespersons

Under the Estate Agents Act, real estate salespersons must be registered with the CEA to ensure that they possess the necessary knowledge to provide professional services to clients and adhere to ethical practices.

Case Study - Mr Sim was charged for practising as a salesperson without registering with CEA. He assumed the identity of a bona fide registered salesperson when he introduced himself to a couple who was interested in buying a HDB flat. The couple checked the Public Register of Estate Agents and Salespersons on CEA website and found that the photograph of the named person shown did not look the same as Sim. The couple complained to CEA and Sim was eventually sentenced to a fine of $40,000, or in default 8 weeks imprisonment.
Check that your salesperson is listed on the CEA Public Register (www.cea.gov.sg). You can check using the name, registration number or telephone number of the salesperson. A photograph of the salesperson is displayed in the Public Register. Do not respond to any marketing leaflet, flyer or advertisement on properties that does not provide a salesperson’s details or registration number.

**Prescribed Estate Agency Agreements**

When you engage a salesperson or estate agent, you are encouraged use the CEA prescribed Estate Agency Agreement. This is a contract between you and the estate agent which seeks to protect both parties’ interests. The terms and conditions of the agreement, such as commission payable, can be negotiated between you and your salesperson.

Your estate agent or salesperson must explain the Agreement to you and give you sufficient time to read the Agreement before signing it. Ensure that essential information like the property address, price, dates, names and commission payable are included in the Agreement. Any amendment should be countersigned by you. Your estate agent or salesperson should also give you a copy of the Agreement you signed.

The Prescribed Estate Agency Agreements can be found on CEA website www.cea.gov.sg.

**Personal Responsibility**

Salespersons can value add and serve your interest in property transactions. However, a property transaction is ultimately your personal responsibility. Therefore, you should not hesitate to find out more and ask questions regarding your property transaction. You should ask details about the property if you are concerned about specific aspects of the property and you should find out details on the finances before committing to the transaction. The salesperson will respond to your queries and if he is not able to, he will refer you to the appropriate person or resource.