

> JOINT MESSAGE

GREATER MOMENTUM

In FY2015, the Council for Estate Agencies (CEA) crossed a major milestone as we marked our first half-decade.

Since its formation in 2010, CEA has embarked on a journey to transform the real estate agency industry. We established a robust regulatory framework that emphasises professional responsibility and ethical standards. We put in place a licensing and registration system, an effective and balanced enforcement regime, and a mandatory professional development programme.

Empowering consumers to take a shared responsibility in achieving well-executed property transactions is also a key strategy to complement the regulatory framework. We established a public register of property agencies and agents, a repository of consumer education resources, and reached out to consumers through a variety of platforms.

These combined efforts have helped to raise the standing of the industry and improve confidence of consumers in their interactions with property agents. There has been a sustained decline in the number of consumer complaints against property agents over the years. On a per thousand transaction basis, to adjust for market volume, the number of complaints received by CEA has declined steadily over the past six years from 15 to about 4.5 currently.

The findings from our second Public Perception Survey conducted in 2015 were reassuring. Seventy-nine per cent of respondents were satisfied with the services provided by property agents. This was a slight drop from the 81 per cent in the previous survey conducted in 2012 but was still a reasonably high level of satisfaction. Also, consumers showed high awareness of key industry practices and regulations, averaging 73 per cent.

STRENGTHENING PROFESSIONAL DEVELOPMENT

Our efforts over the past five years have laid strong foundations for the industry. Going forward, the Continuing Professional Development (CPD) framework and training roadmap will continue to play an important role in sharpening key competencies and maintaining high standards of professionalism in the industry.

In response to industry demand, we have started working with the industry associations to introduce certificate CPD courses that will equip property agents with the necessary knowledge to handle commercial, industrial, and foreign property transactions.

We are encouraged to note that industry stakeholders have spearheaded several initiatives to raise professional and service standards for their peers.



One of these initiatives is the “Commitment to Service” agreement that property agents can present to clients who engage them on an exclusive basis. This will spur the industry towards a more client-centric approach and raise productivity.

In addition, a working group formed to develop a certification system for property agencies has completed the initial phase by drafting the “Technical Reference for Estate Agents – Management Best Practices”. This reference document sets out the requirements of desired standards to be met by property agencies. We encourage industry players to review and give feedback on the technical reference, which will be available on the SPRING Singapore website later this year.

The real estate agency industry has an important role to play in upholding Singapore’s status as a global financial hub. Given our open economy and significant amount of foreign investments in the local property market, the industry is an important gatekeeper to counter the global threats of money laundering and terrorism financing.

Changing consumer attitudes and rising expectations mean that industry practitioners must shift from being sales-focused to finding ways to serve their customers better.

Supporting Singapore's role as a responsible member of the international Financial Action Task Force, CEA worked with the industry to implement processes and measures to prevent money laundering and financing of terrorism activities that might be conducted through property transactions.

GEARING FOR CHANGE

After five years as an enabler and regulator of the real estate agency industry, it is timely to take stock of where we are and see how we can gear CEA towards being more enterprise-centric while ensuring sound governance. To this end, we embarked on a rigorous review last year to streamline business processes and better integrate our regulatory workflows.

We are heartened by the active participation and strong support from our industry partners in the review. They provided useful insights and suggestions on how we can improve current business processes. We will be translating the recommendations into practical plans for progressive implementation.

Going forward, we will create new and more touch points to reach out to consumers and equip them with the relevant knowledge to make the best decisions in their property transactions involving property agents.

The real estate agency industry is operating in a complex environment. Apart from managing greater unpredictability in property and economic cycles, the sector is also facing increasing technological disruptions and rising consumer expectations.

One significant finding from the 2015 Public Perception Survey was that more consumers are undecided about engaging a property agent for future transactions, increasing from 24 per cent in 2012 to 31 per cent last year. In particular, consumers aged between 21 to 39 years old were more likely to handle property transactions on their own.

Changing consumer attitudes and rising expectations mean that industry practitioners must shift from being sales-focused to finding ways to serve their customers better. Apart from providing sound and credible advice, agents must be innovative and explore fresh ways to add value to meet customers' needs. Property agencies should therefore invest more in their agents' professional development to enable them to stay relevant.

CEA is committed to work with industry practitioners in navigating these changes. We will support property agencies and agents in raising the bar for themselves in three areas – professionalism, productivity, and client-centricity. We are confident that our collective efforts will bring about further improvements to the sector.

A NOTE OF APPRECIATION

What we have been able to achieve as an organisation since our formation in 2010 has been made possible because of the many individuals and partners who share our vision.

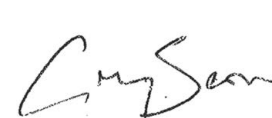
We would like to especially thank our founding Executive Director Mr Chionh Chye Khye for his tireless dedication and steady guidance of CEA from October 2010 to October 2015. His leadership

has been fundamental in the strides CEA has made in regulating and strengthening the real estate agency industry.

We are also grateful for the counsel and advice of fellow Council members and our voluntary Council Committees. Their collective wisdom has enabled the industry to grow stronger over these years.

Many thanks go to the team at CEA as well, for working steadfastly to deliver on our responsibilities and objectives.

Above all, the support of our industry stakeholders is invaluable and we are deeply appreciative of the cooperation that the industry has given us over the past five years. We look forward to deepening this partnership as we journey together to realise our joint vision of a more professional and trusted real estate agency industry.



Greg Seow
Council President



Lee Kwong Weng
Executive Director

CONSUMER SATISFACTION WITH PROPERTY AGENTS' SERVICES

79%

CONSUMER AWARENESS OF INDUSTRY PRACTICES AND REGULATIONS

73%

NUMBER OF COMPLAINTS PER THOUSAND TRANSACTIONS

4.5