Practice Guidelines on Ethical Advertising PG 2/2011

Preamble

- Every licensed estate agent and registered salesperson must act in accordance with the provisions of the Estate Agents Act 2010, the Estate Agents (Estate Agency Work) Regulations 2010 and the guidelines issued by the CEA.

- The Practice Guidelines on “Ethical Advertising” are to be read with the Code of Ethics and Professional Client Care. Non-compliance of the guideline may result in disciplinary action. Under paragraph 4 (2) (a) of the Code of Ethics and Professional Client Care, estate agents and salespersons must be fully conversant and comply with the Act, the regulations made under the Act, and the policies, practice circulars and guidelines of the Council.

- The Guidelines are issued in relation to the promotional publicity and advertisements put up by licensed estate agents and registered salespersons. Promotional publicity and advertisement refer to publications, classified ads, pamphlets or flyers, as well as website/internet posting, online advertising, short messaging services (SMS), social media etc.

- The Key Executive Officers (KEOs) have the responsibility to ensure the advertisements by their salespersons are in compliance with the regulatory requirements. Under paragraph 4 of the Code of Practice, estate agents are required to manage and supervise their salespersons to ensure that their salespersons comply with this practice guideline. Estate agents are also required to vet all publicity and advertising materials of their salespersons prior to publication.

- Estate Agents and salespersons are to comply with the Guidelines with effect from 1 August 2011.

Aim

This Practice Guidelines seeks to provide estate agents and salespersons with clear and detailed guidelines on the use of advertisements to comply with the Code and establish best practices in advertisements. It contains:

i. Do’s and Don'ts on advertising
ii. Guidelines on acceptable contents
iii. Guidelines relating to the method of advertising
iv. Case examples of advertisements that are acceptable and those that would infringe the Code.
What you should know about Ethical Advertising

1. Compliance with the Estate Agents Act (EAA) 2010 and the Estate Agents (Estate Agency Work) Regulations 2010

When issuing advertisements, estate agents and salespersons must comply with all the relevant requirements in the Estate Agents Act (EAA) 2010 and the Estate Agents (Estate Agency Work) Regulations 2010 as shown in Annex A.

Estate agents and salespersons are required to obtain the prior consent of the owner(s) before advertising any property for sale or rental. In the case of leased property which is sought to be sublet, the estate agent or salesperson is required to ascertain if prior consent of the owner to sublet the property has been given (or that the tenant / sub-landlord is entitled to sublet the property), before advertising the property.

Salespersons shall ascertain the rightful owners and obtain the consent of all owners where there is more than one owner. Such consent shall be in writing, SMS or any verifiable mode of communication. If 2 or more salespersons advertise the property, each salesperson shall obtain the owner’s consent.

2. Details of Estate Agents and Salespersons must be correctly and clearly identified in all printed advertisements

2.1 Advertising in flyers and pamphlets as well as banners etc

The following information must be stated for all advertisements in flyers, pamphlets, banners, online advertising etc (with the exception of classified ads):

i) Salesperson’s name or business name as stated in the Public Register
ii) Salesperson’s registration number
iii) Estate Agent’s name
iv) Estate Agent’s licence number
v) Contact number of the salesperson as registered with CEA

The advertisement must display the words “Estate Agent Licence Number” and “Salesperson Registration Number” followed by the relevant number, or such acceptable alternatives as listed below:

i) CEA Licence Number
ii) CEA Registration Number
2.2 Advertising in classified ads

For classified advertisements printed in newspapers, the salesperson must use the name(s) (in full or abbreviated) and the contact numbers that are registered with CEA. Licence/registration number need not be stated.

For example, if a salesperson’s name is listed as ‘Lim Hwee Hwee (Sandra)’ in the Public Register, she can use ‘Sandra Lim’ in the advertisement or a short and identifiable form of her NRIC name. Or where a salesperson’s registered name is ‘Goh Keng Seng’, he can indicate his name as ‘Goh KS’.

It is good practice to also insert the acronym for the estate agent for the public to identify which estate agent the salesperson is representing.

Note: XYZ being acronym of estate agent
3. Advertisement contents

3.1 Not to cause or allow inaccurate, false or misleading offer, proposal, statement, representation, claim or information

All advertisements shall not be inaccurate, false or misleading. Estate agents and salespersons shall not insist that the prospective buyer, seller, landlord or tenant engage them or another estate agent or salesperson. (Note: the ban on dual representation has to be observed).

Where there are promotions and/or guarantees stated, all underlying terms and conditions shall be disclosed at the onset to the consumer. The estate agent shall take reasonable steps to ascertain the accuracy and truthfulness of such advertisement or promotion.

If the rates of returns, yield rates, or rate of capital gains are indicated, the following must be stated in the advertisement:

i) the basis and the source which shall be from credible data sources;

ii) definitions for terms used in the advertisement;

iii) where past data is used, the time-period of data used shall be indicated in the advertisement.

Where there are terms and conditions stated in the promotions and/or guarantees, explanatory footnotes and disclaimers must be displayed in a minimum font size of 8 in accordance with Section 17.1 of the Singapore Code of Advertising Practice.

Any claim of property market trend or movement or economic forecast shall be substantiated by statistics from reliable sources such as from a government agency’s reports.

3.2 All materials that advertise or promote a property must accurately describe the property

Estate agents and salespersons using photographs in advertising materials must not alter or enhance the photographs in any way that would misrepresent actual aspects of the property.

Estate agents and salespersons shall not use a photograph of another property in an advertisement. If photos of interior of the property are shown, it shall be the actual interior and not a similar/different unit nor the same unit in a different condition. If photos of views of exterior are shown, it shall be from the viewpoint of the unit advertised. For example, if the unit is at a low floor in a high-rise apartment, the exterior view shall not show the view taken from the topmost floor of the apartment. If such photos are used for illustration purposes, appropriate qualifiers shall be appended next to the photo.
Estate agents and salespersons shall comply with prevailing requirements under URA’s Housing Developers (Control & Licensing) Act when advertising and marketing new projects for developers. Where logos and images are used, it shall also comply with existing intellectual property laws.

Estate agents and salespersons shall advertise the use of the property as approved by URA or the Competent Authority. For example, in the case of mixed use developments zoned Commercial and Residential under URA’s Master Plan 2008, the units within such developments are approved for either commercial use [e.g. offices can be allowed within the commercial portion of mixed use developments] or residential use. Approved office units should be used primarily for office use and should not be marketed for dual use i.e. office-cum-residential use. The same goes for approved residential units.

Likewise, developments on land zoned Business 1 or Business 2 under URA’s Master Plan 2008 are approved and allowed primarily for industrial use (e.g. manufacturing and warehousing activities). Such industrial properties should not be marketed for “business” [which may be misinterpreted as offices] or for “offices” which are not allowed in industrial buildings.

(Note: The Home Office Scheme allows for homeowners, occupiers, tenants and subtenants to use private residential properties and HDB flats for home office and business registration ancillary to the fundamental residential use under certain terms and conditions. More information on the Home Office Scheme can be obtained from the websites under URA and HDB.

3.3 Claims of expertise, specialization or success rate

Under paragraph 7(3) of the Code Ethics and Professional Client Care (Code), any opinion that is rendered by an estate agent or a salesperson to the client or any other person shall be justifiable by reference to verifiable facts and shall be given with strict professional integrity, objectivity and courtesy. Paragraph 12 (4) (c) of the Code also requires the estate agent and salesperson to ensure that where any claims of expertise, specialisation or success rate appear in any form of advertising, it can be substantiated by verifiable facts and records.

Hence, there shall not be any use of dubious or misleading words and phrases like ‘King of xx (name of location or area)’, ‘Mr xx (name of location or area)’, ‘Specialist’ and ‘Expert’.
3.4 **The price or other terms of the property must not be different from those instructed by the client**

If the selling price of the property is to be stated in the advertisement, the expected selling price or range of selling price shall be stated. Alternatively, on the instruction of the client as regards to selling price, for example, view to offer/or price negotiable may be stated. Salespersons shall not represent the selling price or range of selling price solely on the Cash-Over-Valuation (COV) amount. There shall not be such claims like ‘guarantee sell high price above value’, ‘all units sold high price above valuation’ or explicitly, any guarantee of ‘Cash Over Valuation’ or ‘COV’.

Salespersons shall not indicate preference for any race or religion in all advertisements unless it is to comply with the Ethnic Integration Policy which aims to achieve a balanced ethnic mix among the various ethnic communities living in public housing estates.

3.5 **The advertisement and its placement shall not directly or indirectly infringe any law or legal rights**

Salespersons shall not attempt to abet or suggest to consumers to circumvent existing laws and regulations with advertisement phrases like ‘we can help you to sell your flat before the minimum occupation period for new HDB flat’ or ‘we can help you to appeal to HDB for rental flat’ etc.

3.6 **The advertisement must be removed once the property is no longer available, or after the estate agency agreement is terminated**

All advertisements shall be removed as soon as is practicable after the property concerned is no longer available for sale or lease, or upon termination of the estate agency agreement concerned (whichever is the earlier).

The date of issue shall be stated in the pamphlets and flyers to enable consumers to ascertain whether the information is current. The information in the pamphlets and flyers shall be updated if there are any changes and reprinted/amended as soon as is practicable.

The estate agents and salespersons issuing online advertisements shall observe the same requirements as stated above.

3.7 **Use of the term ‘co-broking’**

Estate agents and salespersons are reminded to comply with paragraph 6 (3) of the Code of Ethics and Professional Client Care to act ethically, honestly, fairly and in a reasonable manner towards all persons in the conduct of their estate agency work. Co-broking refers to the involvement of two or more estate agents or salespersons in the same property transaction. The choice to allow co-broking is subject to negotiation between the client and the estate agent or salesperson.
Salespersons shall not insert phrases like ‘already co-broke’, ‘no co-broke’ and ‘no agents’ in any advertisement or any other phrases that are not in their clients’ best interests.

3.8 Use of dummy advertisements

Estate agents and salespersons shall not advertise a property where consent has not been obtained from the owner or advertise a property which is no longer available for sale or letting for the purpose of obtaining information relating to potential clients or potential transaction prices. Advertising of a property shall be done only when there is an actual property to be marketed with the owner’s prior consent.

3.9 Advertising of Estate Agent services

Where advertising is done to secure potential clients, its contents must not give a false representation that the estate agent or salesperson have ready properties available for the potential clients. For example salespersons may know that there is a possibility of property for rental in an industrial building and he sends out an advertisement to try to secure potential clients. He cannot claim to have “ready units for rental” when that is not the case. If he had liaised with the building owner and confirmed there are ready units for rental, his advertisement may then carry such content. If not, he has to word the advertisement in an appropriate manner.

3.10 Copied advertisements

Copied advertisements are strictly not allowed. This is because the salesperson who copied the advertisement did not obtain the owner’s consent to advertise the property. For example, a salesperson who had seen an advertisement for a property in the newspaper, copies the same advertisement onto an internet property portal, puts himself as the salesperson in the hope of getting a client and thereafter introducing the client to the original salesperson.

4. Advertising Methods

4.1 Distribution of flyers and pamphlets

Flyers and pamphlets to homes and other premises must be properly distributed without being visible to members of the public other than the intended recipient(s). This is to avoid the build-up of distributed materials within public view when owners are away. It is good practice not to distribute flyers and pamphlets on vehicles as it would likely result in causing public nuisance viz. littering.

Estate agents and salespersons are required to comply with existing laws and seek requisite approval before distributing the flyers and pamphlets in private properties especially in condominiums.
If estate agents and/or salespersons entrust a third party to distribute flyers/pamphlets/put up banners etc, they must issue proper instructions to the third party to ensure that the advertisement and its distribution comply with the Act, Regulations and this Practice Guidelines.

Estate Agents and salespersons who display banners shall comply with the requirements under BCA’s (Outdoor Advertising) Regulations. Approval from the relevant authorities must be obtained for the pasting of stickers and other form of advertisements in common areas of HDB New Towns or Estates, at bus-stops or along the roads. Advertisement signs along roads are discouraged by the LTA as they may distract motorists and pose safety hazards.

Estate agents and salespersons must obtain the requisite approvals from the LTA and the BCA for any temporary signs to showroom flats, etc, and the advertisement signs along public roads must state LTA’s approval reference and BCA’s licence numbers, serial number and expiry date of the approval. More details on the procedures and necessary forms can be found on website of BCA.

Figure 3

| LTA Approval Ref: AD – 2011 03 28 |
| Sign Serial Number: 3 of 7 |
| Expiry Date: 10 – 05 – 2011 |

Note: BCA’s licence number shall be stated on the front of each outdoor advertisement sign.

4.2 SMS advertising and cold-calling

Estate agents and salespersons are reminded to comply with the requirements under the Spam Control Act with regard to unsolicited advertising through commercial electronic messages sent in bulk. All advertisements via SMS must include a mobile telephone number to which the recipient may submit an unsubscribe request by text. Where a recipient has submitted such a request, the estate agent or salesperson shall not send further unsolicited advertisements.

Similar to classified ads, SMS advertisements must have the name(s) (in full or abbreviated) and the contact numbers of the salesperson(s) that are registered with CEA. The licence/licensure number need not be stated.
When contacting a client, whether existing or prospective, by SMS or by telephone for direct marketing purposes, estate agents and salespersons shall respect the privacy of and not cause nuisance to the recipients. Where a recipient has indicated not to receive future cold calls or SMS, the estate agent or salesperson shall cease to do so immediately. Such SMS advertising and cold calling shall also not be carried out between 10.00pm and 9.00am.

4.3 Email advertising

For email advertisements, estate agents and salespersons must indicate clearly their names, estate agent licence and registration numbers. The subject field shall also clearly identify that the message is an advertisement, where according to the Spam Control Act, there shall be the letters “<ADV>” with a space before the title in the subject field. If there is no subject field, the words first appearing in the message must clearly identify it is an advertisement.

The email must also contain an unsubscribe option similar to point 4.2. No person shall send, cause to be sent, or authorise the sending of, an electronic message to electronic addresses generated or obtained through the use of a dictionary attack or address harvesting software as stated under Section 9 of the Spam Control Act.

4.4 Talks and seminars

During a talk or seminar on the general property market, no individual shall market or sell a particular development project located in Singapore or overseas with pricing and other details unless the individual is licensed or registered with CEA or is exempted under the Act. If the speaker is not licensed or registered with CEA, he is considered to have contravened the Estate Agents Act and can be prosecuted in Court.

5. Administrative Processes regarding Advertisements

Estate agents shall vet all publicity and advertising materials of their salespersons prior to publication. KEOS shall approve all advertisements or have a structured process in place to approve all advertisements before they are activated or issued to ensure ongoing
compliance with CEA’s Codes and Practice Guidelines on Ethical Advertising. This includes all contents and methods relating to internet advertising.

6. Use of Data

Information on transacted properties’ specific floor levels and/or unit addresses shall not be disclosed in advertisements.

Estate agents and salespersons are reminded that information purchased from URA REALIS or other portals on individual transacted units’ detailed addresses and transaction prices are intended for personal research and use, and not for commercial or marketing purposes.

When using publicly available free data in advertisements, estate agents and salespersons shall comply with the terms and conditions in using such data. The source of such publicly available data shall be indicated in the advertisement.

7. Internet Advertising

As a general principle, all regulations and policies respecting advertising apply equally to the Internet. This includes websites, e-mail, SMS and any other potential online identification, representation, promotion or solicitation to the public which is related to licensed real estate activity.

7.1 Advertising on Estate Agents’ websites, Property Advertisement Portals and other marketing/information websites

The name and contact number as registered with CEA, and the licence and registration numbers of the estate agent and salesperson must be correctly and clearly stated in all advertisements on estate agents’ websites, property advertisement portals and other marketing/information websites. Salespersons must also be able to declare and affirm that the advertisement is not a copied version of another original (such that any intellectual property right may be infringed) and that all information and photos used are actual and not misleading.

7.2 Current and Accurate Information

Property listing information must be kept current and accurate. Listings that have expired shall be immediately removed from websites or as soon as practicable. Similarly, if property information changes during a listing period, the information posted on websites shall be changed immediately or as soon as practicable.

Estate agents must ensure that salespersons’ information posted on their website is kept current and accurate. There shall be no reference to any salesperson who is not currently registered with the estate agent.
Those who provide general market information on their websites shall ensure that such market information is current and not misleading and include a notation such as “General market information on this website was last updated on__________”.

7.3 Advertising on Social Networks

Estate agents or salespersons who use any Internet social networking account to conduct estate agency work shall ensure that the estate agent licence number and salesperson registration number are clearly stated in the account profile.

This Practice Guidelines shall be strictly complied with by estate agents and salespersons.

While every effort has been made to ensure that the contents of this Practice Guidelines are accurate and relevant, the Council for Estate Agencies shall not be held liable for any loss or damage incurred or suffered in connection with, arising from, or in reliance on, any error, omission, statement or misstatement contained in the whole or any part of this Practice Guidelines.

The copyright of this Practice Guidelines vests in the Council for Estate Agencies. No part of it may be copied, reprinted or excerpted in any way or in any place for any commercial purpose except with the written consent of the Council for Estate Agencies.
Annex A

FIRST SCHEDULE

ESTATE AGENTS ACT 2010

CODE OF ETHICS AND PROFESSIONAL CLIENT CARE

Duties in respect of advertisements

12. — (1) Estate agents and salespersons must ensure that they are correctly and clearly identified in —

(a) all their advertisements and promotional materials; and

(b) their correspondence, email signatures, letterheads, notepapers and name, calling or any other cards.

(2) Sub-paragraph (1) means, among other things, that the following information must be correctly and clearly stated —

(a) the name and contact number of the estate agent and salesperson as registered with the Council; and

(b) the licence and registration numbers of the estate agent and salesperson.

(3) Where advertisements are in the form of classified advertisements printed in newspapers, the estate agent or salesperson must use the name and contact numbers that are registered with the Council but need not state the licence or registration number of the estate agent or salesperson.

(4) Estate agents and salespersons must also comply with the following requirements in respect of any form of advertising including name, calling or any other cards:

(a) they must not cause or allow to be made any advertisement that contains any offer, proposal, statement, representation, claim or information that is inaccurate, false or misleading;

(b) they must ensure that all materials that advertise or promote a property accurately describe the property;

(c) any claims of expertise, specialisation or success rate can be substantiated by verifiable facts and records;

(d) they must obtain the prior agreement of the client before advertising any property of the client for any purpose, including sale or rental;
(e) they must not advertise any property at a price or on other terms, or in any manner, different from those instructed by the client;

(f) the advertisement shall not include any transaction information about any specific property (including the name of the parties, the sale and purchase price, rent payable and any other terms of the transaction), without the consent in writing of all the parties to the transaction, regardless of whether the salesperson or estate agent had been involved in the transaction;

(g) the advertisement and its placement shall not directly or indirectly infringe any law or legal rights; and

(h) they must remove all advertisements in relation to a property once the property is no longer available for sale or rental for whatever reason, or after the termination of the estate agency agreement in respect of the property.