

Note: This case was referred to a CEA Disciplinary Committee (DC) before the operationalisation of the Estate Agents (Amendment) Act 2020 on 30 July 2021. With the Act amendments, the maximum financial penalty for disciplinary breaches has been raised and a DC can impose a higher financial penalty on errant offenders.

S/N 13/2014 – Arranging the Sublease of an HDB flat Without Prior Written Consent from HDB Contrary to the Housing and Development Act

Facts of Case

The Complainant who was an owner of a HDB flat engaged the services of the Respondent to rent out his flat. The Respondent knew that HDB's prior approval for subletting the flat had not been obtained and the Complainant did not wish to let HDB know of the subletting of the flat.

The Respondent found a subtenant and arranged for the Complainant to sublet the flat to the subtenant at a monthly rent of \$1,600 over a year.

The Respondent inserted in the letter of intent a provision that HDB approval would not be sought and stamping of the sub-tenancy agreement was not needed.

HDB came to know of the subletting of the flat and imposed a penalty of \$5,040 (pursuant to Section 3 of the Housing and Development (Penalties) Rules) on the Complainant in-lieu of compulsory acquisition of the flat under Section 56(1)(h) of the Housing and Development Act.

Ultimately, the subtenant did stamp the sub-tenancy agreement but he had to pay a penalty of \$25 for late stamping of the sub-tenancy agreement

Charges

The Respondent was charged for the following 2 disciplinary offences:

Charge 1 (Proceeded)

For arranging a sublease of a HDB flat without prior written consent of HDB under contrary to Section 56(1)(h) of the Housing and Development Act, in contravention under paragraph 4(1) read with paragraph 4(2)(e) of the Code of Ethics and Professional Client Care (the "**Code**")

Charge 2

For failing to conduct his work with due care and in compliance with all laws by providing in the letter of intent that stamping of the tenancy agreement was not needed, in contravention under paragraph 5(1) read with paragraph 5(2)(a) of the Code.

Outcome

A plea bargain agreement between the Respondent and CEA was reached whereby CEA proceeded with Charge 1, which the Respondent pleaded guilty to, with Charge 2 being taken into consideration for purposes of sentencing.

The DC imposed a financial penalty of \$1,500 and a suspension order of 6 weeks on the Respondent. Fixed costs of \$1,000 were also imposed on the Respondent.