

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 14/2014 – Failure to Deposit Sellers’ Resale Checklist, Subletting HDB Flat Without Prior Written Consent from HDB and Unauthorised Advertisement

Facts of Case

The Respondent acted for the sellers in the sale of their HDB flat.

The buyers bought and were issued an option to purchase (OTP) the flat, on the understanding with the sellers, that the completion of the sale and purchase would take place before the wedding of the buyers some 3 months later.

The Respondent failed to deposit a copy of the seller’s resale checklist with the HDB by the next day after its completion, as required by HDB’s procedure. As a result, HDB declined to process the resale application and cancelled the first appointment which had been scheduled.

The buyers declined the Respondent’s suggestion to re-sign a new OTP as the sellers were not agreeable to have early completion and the flat had been sublet with the Respondent’s assistance. The sellers wanted to earn rental from the flat by subletting it prior to the anticipated date of completion under the issued OTP.

While the Respondent arranged for the buyers to get a refund, the buyers were not able to proceed to purchase the flat, as completion would not take place before the wedding (since the sellers did not agree to early completion of the sale and purchase).

On the date of the sublease agreement, HDB’s approval for the sublease was not yet given. HDB only issued the approval a week after the date of the sublease agreement.

In a separate transaction, the Respondent accepted responsibility for a property advertisement, which was listed (by one of his friends) under his name and account on the Propertyguru website. The Respondent did not obtain consent from the owner to advertise the property.

The property owner was aggrieved as he was marketing his property on his own and did not wish to engage a salesperson to help him do so.

Charges

The Respondent was charged for the following offences:

Charge 1

For failure to deposit sellers’ resale checklist by the next day after completion in accordance with HDB resale procedure in contravention of paragraph 4(1) read with paragraph 4(2)(e) of the Code of Ethics and Professional Client Care (the “**Code**”);

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Charge 2

For failing to comply with HDB procedure as he arranged to sublet the sellers' flat without prior approval from HDB in contravention of paragraph 4(1) read with paragraph 4(2)(e) of the Code;

Charge 3

For unauthorised advertisement of property for rent in contravention of paragraph 4(1) read with paragraph 4(2)(a) of the Code.

Outcome

The Respondent pleaded guilty to all three charges.

The DC imposed the following penalties on the Respondent:

Charge 1: A financial penalty of \$1,500 and suspension of 2 months

Charge 2: A financial penalty of \$1,000 and suspension of 1 week

Charge 3: A financial penalty of \$1,000

The suspensions were to run concurrently and fixed costs of \$1,000 were also imposed on the Respondent.