

**Response to “Unfair rent practices”
– ST Forum, 21 Mar 2014**

9 Apr 2014

Dear Editor

We refer to the letter “Unfair rent practices” by Ms Fong Hang Yin (21 Mar 2014).

2 Consumers may choose to handle rental property transactions on their own, or engage salespersons to assist them. The amount and payment of commission are contractual matters between the consumer and the appointed salesperson.

3 As mentioned by Ms Fong, there are arrangements where the landlord and tenant each pay commission to their salesperson. In situations where the tenant’s salesperson is not collecting commission from the tenant, the landlord’s and tenant’s salespersons can mutually agree to share the commission paid by the landlord when they facilitate the transaction. This practice is premised on the consideration that the landlord benefits by securing a tenant through the efforts of both salespersons.

4 Commission arrangements are based on negotiation and mutual agreement amongst parties involved. CEA cannot dictate how such contractual matters are to be decided. However, where there is commission-sharing between salespersons, CEA requires the salespersons to declare it to their clients. These arrangements should also be agreed upon before the transaction is completed.

5 We thank Ms Fong for her feedback.

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