

**Response to “The question of property agents’ commission”
– Zaobao Forum, 14 Jan 2014**

22 Jan 2014

Dear Editor

We refer to the letter “The question of property agents’ commission” by Mr Lu Wen Guan (14 Jan 2014), who questioned if a 2% commission for real estate salespersons is too high.

2 Property transactions are often critical because they involve family homes, retirement assets and are often the largest single investment most consumers make. Estate agents and salespersons play an important role in helping their clients get the best value for their property transactions. They are professionally qualified and are required to deliver their services in compliance to the Code of Ethics & Professional Client Care and the Estate Agents Regulations. The Council for Estate Agencies (CEA) does not prescribe commission rates but allows the rates to be determined by market forces so as to enable salespersons to price their services competitively. Consumers can negotiate the best rates for the services they require, or they may choose to handle a property transaction on their own.

3 Consumers are encouraged to compare fees and services offered by different salespersons, before deciding on their choice of a salesperson. They should exercise their rights to negotiate the quantum and components of fees and expenses, and terms with the salesperson. To help consumers to make informed choices, salespersons can provide a breakdown of their fees for the level of services and options they provide.

4 Salespersons assume heavy responsibilities and have to meet consumer requirements and expectations to help them effectively with their property transactions. Therefore, when their work is done and the transaction completed, they should be paid the commission which had been agreed with the consumer.

5 We thank Mr Lu for his feedback.

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