

## MEDIA RELEASE

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FOR IMMEDIATE RELEASE

29 JUNE 2011

### **PRACTICE GUIDELINES TO RAISE PROFESSIONALISM OF ESTATE AGENTS & SALESPERSONS**

The Council for Estate Agencies (CEA) issued two Practice Guidelines today to promote ethical advertising in the real estate agency industry and to guide the use of prescribed estate agency agreements.

#### **(I) Practice Guidelines on Ethical Advertising**

2. The Practice Guidelines on Ethical Advertising provides directions and establishes best practices on the use of advertisements for the real estate agency industry. The guidelines were developed in consultation with estate agents, industry associations, government bodies (eg. HDB and URA), and the Consumers Association of Singapore. They are applicable to all modes of advertisements, including classified advertisements, pamphlets or flyers, online advertising, short messaging services (SMS) and the social media.

3. With effect from 1 August 2011, misleading headlines and claims such as “Advance loans available”, “Real Estate Specialist” and “King of X X (Name of Estate)” will not be allowed in advertisements and publicity collaterals. Other key points include the following:

a. Display Details of Estate Agents and Salespersons

- Salesperson’s name, registration number and contact number
- Estate agent’s name and licence number

- b. Accurate Advertisement Contents
- Basis of claims such as rates of return, yield rates, etc, must be indicated and substantiated
  - Accurate use of photographs
  - No abetment or suggestion to circumvent existing laws and regulations such as selling of HDB flats before minimum occupation period
  - Advertisements in internet postings and portals must be kept current
- c. Responsible Advertising
- SMS text advertisements must provide a mobile telephone number for consumers to opt out of future SMS advertisements
  - No SMS advertising or cold calling after 10pm
- d. Responsible Use of Data
- No disclosure of transacted properties' specific floor levels and/or unit addresses without client's approval
  - Compliance to Terms and Conditions of usage of public (free) and purchased data

4. Mr Lee Say Kee, Director (Regulatory Control) of CEA and Chairperson of CEA's Ethical Advertising Work Group said, "Misleading and unauthorised advertisements are among the top three categories of public complaints. To date, we have issued 23 letters of advice to estate agents and salespersons on such complaints. The Guidelines will provide clarity on the do's and don'ts of advertising, thereby raising professional and ethical standards in the industry. CEA will work closely with estate agents and salespersons to implement the Guidelines."

## **(II) Practice Guidelines on the Use of Prescribed Estate Agency Agreements for Residential Transactions**

5. The Estate Agency Agreements are standard forms prescribed in the Estate Agents (Estate Agency Work) Regulations. They are applicable to the sale, purchase and lease of residential properties.

6. The Practice Guidelines is an instruction manual that explains the key terms in the agreements, including commission clauses, disclosure requirements, and co-broking clauses. It also provides guidance on the use of the agreements.

### **Implementation of Practice Guidelines**

7. The two Practice Guidelines will take effect on 1 August 2011. They are to be read with the Code of Ethics and Professional Client Care issued by CEA last year. Non-compliance of the Guidelines may result in disciplinary action. Both Guidelines are available on CEA's website [www.cea.gov.sg](http://www.cea.gov.sg).